

Congressional Record

PROCEEDINGS AND DEBATES OF THE SIXTY-NINTH CONGRESS FIRST SESSION

SENATE

THURSDAY May 13, 1926

(Legislative day of Monday, May 10, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8186) to authorize the Secretary of the Interior to purchase certain lands in California to be added to the Santa Ysabel Indian Reservation and authorizing an appropriation of funds therefor, had agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEAVITT, Mr. SPROUL of Kansas, and Mr. HAYDEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 2475. An act to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924; and

S. 2990. An act to validate payments for commutation of quarters, heat, and light, and of rental allowances on account of dependents.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 292. An act to authorize the Secretary of Agriculture to acquire and maintain dams in the Minnesota National Forest needed for the proper administration of the Government land and timber; and

H. R. 5242. An act to repeal the act approved January 27, 1922, providing for change of entry, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill of the House (H. R. 8513) to extend the time for the construction of a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, Pa.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH, and Mr. DRIVER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3796. An act to establish a national military park at the battle field of Moores Creek, N. C.;

H. R. 9914. An act providing for the inspection of the Bull Run battle fields from and including Centerville and to and including Thoroughfare Gap and Warrenton, in the State of Virginia;

H. R. 10052. An act to authorize the sale of the Mesa Target Range, Ariz.;

H. R. 10203. An act authorizing the Secretary of War to convey certain portions of the military reservation at Monterey, Calif., to the city of Monterey, Calif., for street purposes;

H. R. 10312. An act to authorize the disposition of lands no longer needed for naval purposes;

H. R. 10385. An act to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the Enlisted Reserve Corps;

H. R. 10503. An act to authorize certain alterations to the six coal-burning battleships for the purpose of providing better launching and handling arrangements for airplanes;

H. R. 10896. An act to provide for transfer of jurisdiction over the Conduit Road in the District of Columbia;

H. R. 10984. An act to amend the national defense act of June 3, 1916, as amended, so as to permit the Secretary of War to detail enlisted men to educational institutions;

H. R. 11355. An act to amend that part of the act approved August 29, 1916, relative to retirement of captains, commanders, and lieutenant commanders of the line of the Navy;

H. R. 11613. An act to provide for the study and investigation of battle fields in the United States for commemorative purposes;

H. R. 11762. An act to provide for the sale of uniforms to individuals separated from the military or naval forces of the United States;

H. R. 11927. An act to authorize the Secretary of War to sell a portion of the Fort Ringgold Military Reservation, Tex., to Rio Grande City Railway Co.;

H. R. 12043. An act to provide for the inspection of the battle field of Stones River, Tenn.;

H. R. 12103. An act to provide for the inspection of the battle field of Fort Donelson, Tenn.; and

H. J. Res. 226. Joint resolution authorizing the Secretary of War to lend 350 cots, 350 bed sacks, and 700 blankets for the use of the National Custer Memorial Association at Crow Agency, Mont., at the semicentennial of the Battle of the Little Big Horn, June 24, 25, and 26, 1926.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker of the House had affixed his signature to the enrolled joint resolution (H. J. Res. 134) authorizing the Cherokee Indians, the Seminole Indians, the Creek Indians, and the Choctaw and Chickasaw Indians to prosecute claims, jointly or severally, in one or more petitions, as each of said Indian nations or tribes may elect, and it was thereupon signed by the Vice President.

NATIONAL BANK BRANCHES

Mr. MCLEAN. Mr. President, I call for the regular order. The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Ferris	Harris
Bayard	Couzens	Fess	Harrison
Bingham	Cummins	Frazier	Hedlin
Blease	Curtis	George	Johnson
Borah	Dale	Gillett	Jones, N. Mex.
Bratton	Duncan	Glass	Jones, Wash.
Broussard	Dill	Goff	Kendrick
Bruce	Edge	Gooding	Koyes
Butler	Edwards	Greene	King
Cameron	Ernst	Hale	La Follette
Caraway	Fernald	Harrell	McKellar

McLean
McMaster
McNary
Mayfield
Means
Metcalf
Moses
Neely
Norbeck
Norris
Nye

Oddie
Overman
Phipps
Pine
Pittman
Ransdell
Reed, Mo.
Reed, Pa.
Robinson, Ark.
Robinson, Ind.
Sackett

Schall
Sheppard
Shipstead
Shortridge
Simmons
Smoot
Stanfield
Steck
Stephens
Swanson
Trammell

Tyson
Underwood
Wadsworth
Walsh
Warren
Watson
Weller
Wheeler
Williams
Willis

Mr. NORRIS. I regret to announce that my colleague, the junior Senator from Nebraska [Mr. HOWELL], is absent on account of a death in his family.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McLEAN obtained the floor.

Mr. KENDRICK. Mr. President, will the Senator yield to me a moment?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Wyoming?

Mr. McLEAN. I will say to the Senator from Wyoming that I do not intend to speak more than 10 or 15 minutes, and after that I shall be very amenable to anyone who wants the floor; but I would like to proceed now before Senators leave the Chamber.

I am not a member of the subcommittee which had charge of the bill, but I have been chairman of the Committee on Banking and Currency for some time and I have been a member of that committee since the Federal reserve system was organized. I want the branch-bank controversy adjusted and settled. I think the American people want it settled and I think the banking interests want it settled. I want to say to my colleagues that the branch-banking controversy is just about as intense in the banking field as the wet-and-dry controversy is intense in the social and political field. For several years now I have received letters from one school insisting that a unit banking is bad and very bad, and from the other school insisting that branch banking is bad and very bad.

It seems to me that the time has come when we ought to adopt a policy that any fair-minded man can justify. We can not justify the so-called Hull amendments if they are adopted. No one has undertaken to justify them as between the banking interests. If a State bank in a State where branches are now permitted wishes to enter the Federal reserve system after the passage of this bill, it must get rid of its branches, while State banks that are already in the system can retain them. After the passage of this bill if a State which does not now have branch banks shall change its policy and permit them, no national bank and no State bank that wishes to become a member of the Federal reserve system can have a branch. That means that if we adopt the Hull amendments we shall not settle the controversy, but will intensify it and aggravate it. If, in any State of the Union now permitting branch banks, a State bank which has not entered the Federal reserve system wishes to come in with branches outside city limits, it can not do so, and Congress will be appealed to to do justice in the premises, and we can not refuse if we wish to be fair. So, if a State which now prohibits branch banking changes its policy, the national banks in that State and the State banks that are member banks will immediately appeal to Congress to be put upon an equal competitive basis, and if we are fair we can not refuse to grant their request.

Mr. President, I should not have said anything about the bill if the Senator from Wisconsin [Mr. LENROOT]—and I am sorry he is not here to-day—had not taken the position which he did yesterday. He admitted that the Hull amendments would perpetrate an injustice so far as the banking interests were concerned, but that he was interested in protecting the patrons of the banks, the public, and it was his fear that if we do not adopt the Hull amendments, if we enact the Senate bill, the large banks, both State and national, will put their heads together in the States and coerce legislatures into changing their policies and permitting branch banks.

Mr. President, the Senator from Wisconsin is a very able man. I hope he will represent the State of Wisconsin in the Senate as long as he lives. Wisconsin is a great State, and she has many able men there; but if she has any abler or better men than the senior Senator from that State, all I have to say is that she is exceedingly fortunate. So when the Senator uses the word "monopoly" it disturbs me, because it is a dangerous word to use in a legislative body—a word to conjure with. If it were true that the bill as amended by the Senate would permit or encourage in any way the larger banks to combine and force legislatures to grant state-wide branch banking, I would be just as strongly opposed to it as is the Senator from Wisconsin. I do not believe in state-wide branch banking, but, Mr. President, there is a restrictive feature in this bill which per-

sued me to support it and sets an example to all the States which, if they will follow it, will absolutely prevent the results which are feared by the Senator from Wisconsin. I refer to the provision found on page 14 of the bill in subsection (e), as follows:

(e) No branch shall be established after the date of the approval of this act within the limits of any city, town, or village of which the population by the last decennial census was less than 25,000. No more than one such branch may be thus established where the population, so determined, of such municipal unit does not exceed 50,000, and not more than two such branches where the population does not exceed 100,000. In any such municipal unit where the population exceeds 100,000 the determination of the number of branches shall be within the discretion of the Comptroller of the Currency.

Mr. President, I assume from the position taken by the Senator from Wisconsin that he believes that the larger banks would have a strong motive, a valid purpose, in securing branch-bank privileges in States where they are now denied; but if they should secure such privileges, what would be the result? They would find themselves "hoist by their own petard." They could not establish a branch in a town of less than 25,000 population, and they could have but one branch in a town of 25,000 up to 50,000. What danger is there to the agricultural States of the Union and to the Northwest? How many towns having a population in excess of 50,000 are there in those States? Nobody has called attention to this restriction, but it seems to me that when it shall be understood it will be realized that it accomplishes the very thing we desire to accomplish. The very thing those opposed to monopoly would accomplish—it would encourage competition in the large cities.

Mr. SHIPSTEAD. Mr. President, does the Senator from Connecticut mean that in a town of 25,000 population a national bank can have one branch?

Mr. McLEAN. Yes.

Mr. EDGE. That restriction applies to a town with a population of less than 50,000.

Mr. SHIPSTEAD. The Senator from Connecticut said a town with a population of 25,000.

Mr. McLEAN. A town can have one branch bank if the population is in excess of 25,000; but if there are a dozen other towns in that State exceeding that population a bank can not establish a branch in any one of those other towns. What becomes of the fear of the agricultural States in this matter? Instead of encouraging branch banks, this provision of the bill would put an absolute restriction upon doing so, which, if followed, would render absolutely impossible the realization of any such fears as have been expressed, and the Federal Government would be setting a most worthy example. It was urged here on yesterday that we ought to take a stand against branch banking and adhere to it. If we pass the bill in its present form, what motive will there be for the large banks to coerce legislatures to grant state-wide banking privileges, for, if they succeed, they will be out of it?

Mr. HARRELD. Mr. President—

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Oklahoma?

Mr. McLEAN. I yield.

Mr. HARRELD. I have understood that the main objection to the Hull amendments was that the national banker was seeking to be relieved from the action of the State banking laws which would permit State banks to have branch banks; but with the restrictions of which the Senator speaks, where does any protection lie? Suppose, for instance, the State banker has the right to establish as many branch banks as he wishes, under this restriction which the Senator from Connecticut has just read, the national banker would be limited to the establishment of one branch bank where the population of the city is between 25,000 and 50,000, and to two where it is between 50,000 and 100,000, and so on. Where is there any protection there for the Federal banks as against the State banks which may have the right to establish branches, while Federal banks would be denied that privilege?

Mr. McLEAN. The Senator realizes, of course, that we can not regulate the State legislation in this matter?

Mr. HARRELD. I understand that. I understood the Senator from Connecticut was trying to give relief to national banks where State banks were permitted to have branches.

Mr. McLEAN. Yes.

Mr. HARRELD. But these restrictions would negative that.

Mr. McLEAN. It is proposed that where the State law permits branch banking, then the national banks shall be put upon an equal basis in those States.

Mr. HARRELD. By this bill?

Mr. McLEAN. Yes.

Mr. HARRELD. I want to get clear as to that. I thought the Senator was arguing that these restrictions apply even to those cases where State banks are allowed to have as many branches as they may desire?

Mr. McLEAN. No; the purpose of the bill is to put State banks and national banks upon an equal competitive basis in the large towns.

Mr. EDGE. It would apply where a State bank was a member of the Federal reserve system?

Mr. McLEAN. Yes.

Mr. HARRELD. I understood the Senator was arguing that these restrictions applied in all cases alike, even in cases where the State banks were allowed to have any number of branch banks. I understand the Senator's explanation now.

Mr. McLEAN. If the national banks should combine with the State banks—assuming now that we shall adopt the Senate amendments, and the fears of the Senator from Wisconsin [Mr. LENROOT] are realized—if the national banks should combine with the State banks and should succeed in coercing the State into changing its policy and permit branch banks, the State banks could have branches in that State, but the national banks could not have such branches, not even in a city. What motive, therefore, would they have for combining to change the policy of the State?

Mr. HARRELD. With the restrictions which the Senator has just read, very little relief would be afforded in that situation, unless, as I understand the Senator now to say—

Mr. McLEAN. Under the Hull amendments, if they should succeed in changing the policy of the State, a national bank could not have a branch even in the same city, but under our bill if the State should change its policy a national bank could have branches within the city limits.

Mr. HARRELD. But only in accordance with the restrictions the Senator just read?

Mr. McLEAN. In accordance always with the restrictions. They apply to all.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

Mr. McLEAN. Yes.

Mr. KING. Is it not really a controversy between two systems of banks and two theories of banking? There are many bankers in the United States who are in favor of a unit banking system, and there are many others who believe in branch banks. In those States where they have state-wide branch banking we can not prevent it, and Congress can not prevent those States which in the future desire to have branch banks from so legislating. The only thing we can do, and our only power, is to say to the Federal banks, those that are members of the Federal reserve system, "You may or may not avail yourself of the branch-banking provisions of any State law," but in order to give Federal banks within the Federal reserve system the same privileges which are now enjoyed by the State banks which have branch-banking provisions we must permit those within the Federal reserve system and within such States to have branch banks within a limited political or economic area.

Mr. McLEAN. That is right.

Mr. KING. But as to the States which do not have branch banks, having stricken out the Hull amendments, we do not say that Congress will attempt to coerce those States and prevent them from adopting whatever policy they may see fit respecting branch banks.

Mr. McLEAN. No; but we are setting them a good conservative example. We do not believe in state-wide branch banking but we do believe that the large banks in the great metropolitan centers may have what they call "tellers' windows" in different portions of a city to accommodate their patrons.

Mr. President, I have a communication here from the vice governor of the Federal Reserve Board. It is not of very great importance, but I wish to call attention to it. It has been claimed that some of the national banks at one time in the system have withdrawn and reorganized as State banks.

Mr. SMOOT. That is not on account of branch banking, however.

Mr. McLEAN. For what reason this communication does not state, but I know that some of them have gone out of the Federal reserve system and reorganized as State banks in order that they might have branch-banking privileges.

Mr. SMOOT. Mr. President, the Senator does not claim that that is the reason why many of the national banks have gone out of the Federal reserve system, does he?

Mr. McLEAN. The Senator knows the important reasons why they have withdrawn from the Federal reserve system, but some few of them have withdrawn to take advantage of branch-bank privileges.

Mr. SMOOT. I can not call to mind a single one, but there may be a few of them of which I do not know.

Mr. COUZENS. Mr. President, if I may interrupt for a moment, will the Senators tell us what the reason is for such withdrawal other than the establishment of branch banks?

Mr. McLEAN. Mr. President, they do not receive interest on their reserves. The Federal reserve banks can not pay interest on these reserves for this reason; I think the reserves at this time are about \$3,000,000,000; and if they paid 2 per cent they would have paid \$60,000,000 last year, whereas the net income of the Federal reserve banks—all 12 of them—was less than \$10,000,000. They are not banks of discount and deposit, and two of the Federal reserve banks this year have not even paid expenses.

Mr. COUZENS. Does not the Senator think the more restrictions we put in this bill against the national banks the less advantageous it will appear to them to be members of the Federal reserve system?

Mr. McLEAN. Yes.

Mr. OVERMAN. Mr. President, will it not weaken the Federal reserve system if the House bill should be enacted?

Mr. McLEAN. I think it would.

Mr. OVERMAN. And finally it might destroy it?

Mr. McLEAN. It is certain that if we take the House bill and a State changes its policy and permits branch banks, then the larger national banks in that State will be compelled to go out of the Federal reserve system if they want to be put upon a competitive basis.

Mr. OVERMAN. Exactly.

Mr. EDGE. Mr. President, right there I do not agree with the suggestion that banks have not already gone out of the Federal reserve system entirely and exclusively because of branch-banking privileges. Banks have done so in Detroit, they have done so in New York, and they have done so in several other cities, according to the information I have received from the Comptroller of the Currency. That is the only reason assigned. They may have had other reasons, but that reason has certainly been assigned.

Mr. SIMMONS. Mr. President, the Senator from New Jersey is absolutely correct in that statement. In my own town a State bank sought admission into the Federal reserve system and obtained it. It subsequently determined that it was to its advantage to establish branches, and that bank withdrew from the system because it was not permitted to remain in the system and have branches. I think that process is going on, and I think a great many State banks that would like to become members of the Federal reserve system have been deterred from entering that system by reason of the fact that they can not carry with them their branches.

Mr. McLEAN. Yes.

Mr. SIMMONS. I did not rise, however, for that purpose. I want to understand this matter before I cast my vote. I am strongly disposed to vote for the Senate amendment, but I want to understand it exactly before I cast that vote.

As I understand, under the Senate amendment no attempt is made to restrain the action of the States at all with reference to branch banks. No attempt is made to exercise any jurisdiction over any bank unless it is a member bank of the Federal reserve system. If it is not a member bank we have nothing to do with it, either in the past, the present, or the future.

Mr. McLEAN. The Senator knows we could not if we tried.

Mr. SIMMONS. I do not think we could. I understand that if a State bank desires to become a member of the Federal reserve system, it can come in and bring with it its branches.

Mr. McLEAN. Under the Senate bill; yes.

Mr. SIMMONS. Under the Senate amendment it can bring with it its branches.

Mr. McLEAN. Yes.

Mr. SIMMONS. After this bill is passed, however, if a State bank desires to come in, it can not do it and bring its branches with it.

Mr. McLEAN. It can bring those already established, but it can not establish new ones.

Mr. SIMMONS. Unless they are already established.

Mr. McLEAN. That is right.

Mr. SIMMONS. If the branch bank is established after the passage of this bill, then the State bank entering the system can not bring with it that branch. That is true?

Mr. McLEAN. Yes; but it can establish new branches within the city limits.

Mr. SIMMONS. Yes. In the case of a national bank which is a member of the Federal reserve system, and must remain a member as long as it remains a national bank, as I understand, if that bank desires, after this bill is passed, in a State where

branch banking is permitted, it may establish branches within the corporate limits of the city in which the parent bank is located.

Mr. McLEAN. That is right; under the restrictions to which I have called attention.

Mr. SIMMONS. That is the way I understood it.

Mr. McLEAN. Mr. President, I said I would put into the RECORD this statement furnished by Vice Governor Platt, and I will keep my promise.

In the year 1919, 59 national banks retired from the system, with total resources of \$115,000,000.

In 1920, 39 national banks retired from the system, with total resources of \$140,000,000.

In 1921, 27 national banks retired from the system, with total resources of \$112,000,000.

In 1922, 27 national banks retired from the system, with total resources of \$31,000,000.

In 1923, 48 national banks retired from the system, with total resources of \$46,000,000.

In 1924, 45 national banks retired from the system, with total resources of \$38,000,000.

In 1925, 45 national banks retired from the system, with total resources of \$31,000,000.

Making a total of \$515,000,000 of resources withdrawn from the Federal reserve system.

Mr. REED of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McLEAN. I do.

Mr. REED of Missouri. It would be interesting to know whether those banks withdrew from the system and then proceeded to incorporate as State banks and trust companies, or whether they went out of business altogether, or whether they withdrew by consolidation with other banks.

Mr. McLEAN. Some of them went out and were absorbed by other banks. As I stated, I do not know how many of them retired for the purpose of taking advantage of the branch-banking privilege; but some of them did. I put this statement into the RECORD, however, for this reason: We have 49 banking systems in the United States—the Federal system and 48 separate and distinct State systems. The situation is awkward in some respects, and probably uneconomical. We have no control over the State systems; and I hope no Member of this body wants to attempt indirectly to regulate those systems, because it will result, as all such attempts do, in a reaction that will be exceedingly unpopular; and if we tell the States by a process of indirection that they can not do a thing, that may very likely be an incentive to them to demonstrate to us that they can do it.

As I have said, we have 49 systems. The situation is awkward in some respects; it may be uneconomical; nevertheless, it does provide active competition among the credit merchants of this country. The money rate, the price of credit, is very reasonable at this time in comparison with the price of other things.

Mr. REED of Missouri. Mr. President, I do not want to interrupt the Senator unless it is agreeable to him.

Mr. McLEAN. I am perfectly willing to be interrupted at any time.

Mr. REED of Missouri. I want to go back to the figures given by the Senator of withdrawals of national banks. The Senator states that he does not know how many of them withdrew on account of consolidation or on account of failure, or whether they withdrew to organize under a State law. It is very important to have that information before we can determine at all with reference to the significance of these figures.

Mr. EDGE. Mr. President, if the Senator will permit me, I can give him that information. From the report of the Comptroller of the Currency for 1925 I read as follows, substantiating the statement made by the Senator from Connecticut:

From October 21, 1923, to October 17, 1925, 166 national banks left the national system to engage in the banking business under State charters. These carried with them total resources of \$566,000,000.

They represented 8 or 10 different States. I will not read the balance.

Mr. HEFLIN. Mr. President, if the Senator from Missouri will permit me in that connection, I should like to ask the Senator from New Jersey how many of these banks withdrew from the Federal reserve system prior to 1920.

Mr. EDGE. The statement that I have read contemplates alone the period from October 21, 1923, to October 17, 1925—two years, in other words.

Mr. McLEAN. I can give the Senator from Alabama the figures for the years 1919 and 1920. In 1919, 59 retired. In 1920, 39 retired.

Mr. HEFLIN. How many withdrew prior to 1920?

Mr. McLEAN. I have only the figures for the year 1919.

Mr. HEFLIN. Mr. President, very few withdrew until the Federal Reserve Board worked in cooperation with certain bankers in New York to bring on a panic in 1920.

Mr. REED of Missouri. Mr. President, I want to be perfectly candid and perfectly fair about this inquiry. I am making it for information and not in a controversial spirit at all. I take it, however, from the language which the Senator from New Jersey [Mr. EDGE] has read, that what is meant to be said is that these banks withdrew from the national system in order to incorporate under the State systems. If so, the withdrawals have a definite significance. If, however, the withdrawals were occasioned by consolidations—which frequently are really only a means of avoiding a failure—there would be no significance to the figures.

I know that in my own city, five or six—I think I am within the figures—national banks withdrew from the system in the sense that they consolidated with other national banks, which left only one bank where there had been two.

Mr. McLEAN. I did not understand the Senator's question. All of the banks that I have cited retired from the Federal reserve system in order to reorganize as nonmember banks—all of them.

Mr. REED of Missouri. That answers my question.

Mr. McLEAN. I thought the Senator's question was as to whether they left the national system in order to take advantage of the State branch privilege. That question I could not answer.

Mr. REED of Missouri. Now may I ask another question? How many of the banks so withdrawing to enter the State systems were located in States where branch banking is permitted, and how many of them were located in States where branch banking is not permitted?

Mr. McLEAN. I can not answer that question; but they all reorganized as nonmember banks after leaving the national system.

Mr. REED of Missouri. If the Senator will pardon me—I am trespassing on his time, but I hope he will pardon me—

Mr. McLEAN. Certainly.

Mr. REED of Missouri. There might be many other reasons, aside from the right to establish branch banks, which would cause a withdrawal. For instance, under some State laws a State bank or a State trust company can perform many acts which are prohibited to national banks; and so the withdrawal might not be at all because of an inability to establish branch banks, but might be for the purpose of acquiring the additional rights granted by State laws.

That leads me to remark, if the Senator will indulge me just a moment more, that the situation I have just discussed presents a problem that we will always have before us, namely: Shall we so modify the national banking system as to get in all of the State banks and trust companies, and, in so doing, so broaden the national banking system and its powers that we shall confer upon it every power that is conferred upon any State bank by the laws of that particular State? And if we do pursue that policy, how long will it be until we may endanger the entire structure of our Federal system?

I think we do not get to the meat of this matter by merely saying that we are going to permit the establishment of branch banks in order to keep national banks from withdrawing.

Mr. McLEAN. Was the Senator in the Chamber when I called attention to the restrictions in this bill against the establishment of branch banks?

Mr. REED of Missouri. Yes, I was; and I think the Senator's remarks on that point were illuminating, but I am afraid there is another side to the matter. But what I am talking about is another question. We are told here: "You must enlarge the national banking privilege so that the national banks can have branches in certain States"; and we are to do that in order to keep the national bank from transforming itself into a State bank or trust company.

The point I am making is that the reason for the withdrawal of State banks and trust companies is not at all to be measured by the one fact that they can not establish branches. They go out of the Federal system for other reasons. State banks and trust companies in some States possess powers that are prohibited to national banks, in addition to the mere right of establishing branches. If, in order to keep them in, we are to go to the extent of yielding in every instance and giving every power to the national bank that is possessed by the State bank and trust company in any State, then are we not in danger of undermining the entire Federal system? That is the question I would like to have answered.

Mr. McLEAN. On the contrary. I tried to express the view, in which I firmly believe, that the Senate committee bill is a

positive restriction and will prevent, as far as the Federal Government can go, the establishment of state-wide branch banks.

Let us take one of those large Northwestern States, like Wisconsin. There are probably only three cities in that State with a population of 50,000. I think there are four in the State of Minnesota, not more than that, with a population of 50,000. If we pass the Senate committee bill, no national bank and no member bank in that State can go outside of any one of those three or four cities and establish branches, and in those cities it can have one branch for 50,000, two for 100,000, and after that the number is under the regulation of the Comptroller of the Currency.

It seems to me that is a step the Federal Government ought to take to encourage and set an example to the States, indicating now that we do not believe in state-wide branch banking, and we demonstrate our disbelief in it by this law. It seems to me that it ought to be our purpose at this time to settle this question, and to settle it permanently. As I have stated, if we adopt the Hull amendment, Congress will be besieged every year with demands from member banks and national banks to put them on a competitive basis with other banks.

Mr. EDGE. Mr. President, if we adopt the Hull amendment, we practically state to 26 States in the Union that they can do as they please; that they can have state-wide branches if they please; but if we eliminate the Hull amendment, we announce to those 26 States that, so far as the Federal Government is concerned, they must confine their branches to municipalities.

Mr. McLEAN. Certainly.

Mr. WILLIAMS and Mr. COUZENS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield; and if so, to whom?

Mr. McLEAN. I yield to the Senator from Missouri. I believe he was on his feet first.

Mr. WILLIAMS. Mr. President, I would like to ask a question following the statement just made by the Senator from New Jersey. Am I correct in saying that the Hull amendment with respect to this particular question is found on page 19 of the bill, at the top of the page?

Mr. McLEAN. The one in controversy is subsection (c), I think, on page 13.

Mr. WILLIAMS. I understand, that one on page 13, subdivision (c).

Mr. McLEAN. Yes.

Mr. WILLIAMS. The Senator has the Pepper amendment?

Mr. McLEAN. Yes.

Mr. WILLIAMS. But at the top of page 19 the proviso is the thing contemplated in the so-called Hull amendment?

Mr. McLEAN. Yes.

Mr. EDGE. Yes; that is correct.

Mr. WILLIAMS. The Hull amendment was an amendment made in the House to the McFadden bill as introduced there, and that amendment has been stricken out by the Senate committee. It is a proviso which takes up the first seven lines on page 19, and the Senate committee strikes that out and substitutes section (c), found on page 13.

We have 1,300 or more State banks in the State of Missouri. We have just had a sharp issue raised in that State by a suit brought by the First National Bank of St. Louis, claiming the right to establish branch banks in the State of Missouri.

Has the Senator explained the difference between the Hull amendment and the Pepper amendment as being permissive under the circumstances set forth in the McFadden bill? For example, the McFadden bill provides that—

It shall be unlawful for any member bank—

That means any national bank—

to establish a branch in any State which does not, at the time of the approval of this act, permit banks created by or existing under the laws of the State to establish branches.

That is a direct inhibition and prohibition against national banks so establishing branch banks. The substitute inserted by the Senate committee is not a direct inhibition, but is permissive. It permits national banks to establish branch banks in States which permit branch banks.

Mr. McLEAN. In the cities. It is limited as to population, as I have stated.

Mr. WILLIAMS. Of course, in the cities, as the Senator has so clearly indicated. The real difference between the Hull amendment in the McFadden bill and the Pepper amendment in the Senate committee bill is that the latter gives an opportunity to the national banks to prevail upon the legislatures in the States to open up the way for them to establish branches. Is that all there is to it?

Mr. McLEAN. State banks would have the same privilege, bearing in mind all the time the restrictions. I do not know how many cities there are in Missouri of more than 50,000 population; probably not over four or five.

Mr. GLASS. Mr. President, the main difference between the two is that under the Senate committee amendment the State is left absolutely free to exercise its own judgment as to whether it will permit branch banking or not.

Mr. WILLIAMS. It is not the judgment of the State of Missouri that there shall be branch banking, and that is indicated by its legislative will.

Mr. GLASS. Precisely so, but legislatures sometimes change their will, and under the bill as it passed the House, should Missouri ever change its system of banking and authorize branch banking, none of its State banks could avail itself of the privilege, under penalty of exclusion from the Federal reserve system.

Mr. WILLIAMS. The Senator would really have no objection to the Hull amendment, would he, if the words "at the time of the approval of this act" were stricken out?

Mr. GLASS. That is the Hull amendment.

Mr. EDGE. That is all there is to the Hull amendment, those nine words.

Mr. GLASS. That is the Hull amendment. The Hull amendment serves notice upon the State of Missouri that the State shall never change its banking system, no matter how much it may desire to do so, with respect to branch banks, under penalty of the exclusion of all of its State banks from the Federal reserve system.

Mr. HARRELD. Mr. President, I would like to ask the Senator from Virginia a question. Take the case of Missouri. If the Hull amendment shall not be adopted, will there not be this danger, that the national banks will immediately get the State legislature of Missouri to change its law, granting the privilege of branch banking?

Mr. GLASS. The answer to that is that there is no Hull amendment in the existing law, and the national banks in Missouri have not done that.

Mr. McLEAN. Suppose they do it and succeed. They can not go outside of the city limits and establish branches.

Mr. HARRELD. They can not, if it is limited.

Mr. McLEAN. That is the point I am trying to make clear, that if the Hull amendment is adopted, the national banks will find themselves right where they do not want to be. If the State of Missouri should adopt the branch banking system, the national banks in Missouri could not have a branch bank anywhere.

Mr. HARRELD. In other words, where the State law already permits branch banking, before this becomes a law, then the provision restricting branches to cities would not apply, but it would apply to any State which would pass a law giving the privilege of unlimited branch banking.

Mr. McLEAN. They may bring in what they have when this bill passes. After they get in, no new branches could be established outside of the cities.

Mr. HARRELD. I do not quite understand yet. Here are two States. One of them at the present time permits branch banking; the other does not. This bill is enacted. After it is enacted the State that has no branch banking passes a law permitting branch banking. Then in that State there can be branch banks only in the cities, as is prescribed in the bill, but in the other State, which had branch banking before this law went into effect, there would be a right to have branch banking on the same basis as under the State law.

Mr. McLEAN. No; they can not bring in anything under the Hull amendment, if the Senator is talking about the Hull amendment.

Mr. HARRELD. I do not understand it, then.

Mr. McLEAN. I am not surprised, because it is rather involved. If the State which now prohibits branch banking changes its policy, under the Hull amendment no member bank and no national bank can ever have a branch in that State. Does the Senator understand that?

Mr. HARRELD. Yes.

Mr. McLEAN. But the State banks can go ahead and have all the state-wide branches they want.

Mr. HARRELD. I understand that.

Mr. McLEAN. I tried to emphasize that point, that instead of this being an encouragement to the national banks to join the State banks and coerce the States into changing their policy, it is absolutely restrictive, because if they succeed they get nothing out of it and the State banks get everything they want. Does the Senator understand that?

Mr. HARRELD. I understand that. But in the example I gave, where, at the present time, one State has no branch

banking and another State does have branch banking, would the passage of this bill as it is reported by the Senate committee affect those two States? That is what I want to know.

Mr. GLASS. Mr. President, if my colleague will permit me—

Mr. HARRELD. I am just asking for information.

Mr. GLASS. I have followed the Senator from Oklahoma, and I think I understand what he wants to reach.

After the passage of this bill, which does not interfere with the status in any State, no national bank in any State may establish a branch outside of the corporate limits of the home of the parent bank.

Mr. HARRELD. Does that apply to both the States I have mentioned?

Mr. GLASS. I have said so. If a State now permitting branch banking permits state-wide branch banking, and there are banks with county branches, we do not interfere with that existing status. They may retain such branches as they have established before the passage of this bill. But after the passage of this bill no national bank is permitted to have a branch outside of the metropolitan limits of the parent bank.

Mr. HARRELD. I think I understand it.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. SHIPSTEAD. Mr. President, I think I could not permit the matter to go to a vote without saying a few words on the amendment. I can not agree that the so-called McFadden banking bill settles the branch-banking proposition. I do not see how it settles the question at all. That question is going to come back here to plague us whether we pass the McFadden branch banking bill or not.

There are two schools of thought in the banking world, the small banker who believes in unit banking, and the big banker who believes in concentration of control and power. The peculiar thing is that both seem to be more or less satisfied with the McFadden bill. The banker who is opposed to branch banking is for it, and the banker who favors branch banking is for it. One or the other is going to be disillusionized.

Those who favor branch banking are for the Pepper amendment because they consider branch banking to be desirable. Under the Pepper amendment the process of establishing branches all over the country can be accomplished step by step by going to each individual State and having the legislature change the State law so as to permit State banks to have branch banks. When that is done we are going to have this question come back to Congress as we have it now. We are going to have the question come back here as the result of what the States are going to do. We are here now faced with the proposition because States have already in certain instances permitted branch banking, and so they come to Congress and say, "We must permit the national banks to go into the branch-banking business in order to be able to compete."

Mr. EDGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from New Jersey?

Mr. SHIPSTEAD. I yield.

Mr. EDGE. Let me explain to the Senator a situation which he just passed over. The Senator anticipates that if the bill becomes a law it would develop a campaign, as it were, on the part of national banks, and perhaps State banks, to have the legislatures of the various States not now permitting branch banking to enact laws legalizing the same. In view of the fact that the McFadden bill has been before Congress for two or more years, that the McFadden bill has always contained the so-called Hull amendment, or at least that it has been under consideration, and that the so-called Hull amendment, if adopted, would prevent the national banks, as has been so often stated, from having branches in 26 States, is it not significant to the Senator that during those two years, when they could have taken advantage of the time before the bill became a law, with possibly the Hull amendment included, and tried to have secured legislation from some of the 26 States, that not one single State, to the best of my knowledge, has enacted any branch banking legislation? In other words, a whole year has gone by when any banker could see in the distance the possibility that he would be prevented for all time to come from having a branch. If it worried him, he would naturally have tried to anticipate the law and would have gone to his legislature and said, "You must pass a bill before the McFadden bill becomes a law; otherwise we will never be able to have a branch bank."

As a matter of fact, not one of the 26 States has so acted, so far as I know. That would seem to indicate that branch banking and the determination for branch banking is not so thoroughly imbedded and established among the bankers of the country as is sometimes charged. In fact, the Cook County

Bankers' Association have issued a pamphlet, which no doubt Senators have seen, including the large, powerful, influential national banks in Chicago—Illinois being a State that does not permit branch banking—petitioning Congress at this time to adopt the Hull amendment, which would forever prohibit them from having branches in Illinois. I do not believe the bankers of the country are so much interested in branch banking unless the State banks are given the privilege, and then they naturally and properly want to be put on the same footing. That is alone what the elimination of the Hull amendment permits them to have.

Mr. SHIPSTEAD. Of course, it is a question of public policy, and Congress must establish that policy. The question is whether the country is going to inaugurate a policy and permit a system of branch banking to spread all over the country. Of course, they have not done so very much in the last year or two; but in the establishing of a national policy, in the history of the Nation a year or two is not a very long time; it is a very short time. Those who are for the Hull amendment recognize, whether rightly or wrongly, that it is a menace to branch banking they are for; but the Hull amendment, so they believe, will localize what they believe is a menace. It is recognizing it and localizing it.

If the Hull amendment is adopted, I do not believe it is going to localize or settle the problem or the controversy at all. Sooner or later we must face the problem, the controversy over whether or not we shall encourage the unit bank, independent banking, or whether we shall inaugurate a policy that gradually and progressively will eliminate the independent bankers, the small-unit banker, and concentrate control of banking credit in the hands of fewer and fewer people. It may take 25 or 30 or 40 years' time, but that is the danger we must face, and the sooner we face it the better off we shall be. It is, of course, true that the Senate amendment restricts banks in States that do not now permit branch banking. But if they change their policy, a bank in that State, being a member of the Federal reserve system, can not avail itself of the privilege, and it is considered a privilege of starting branches. But suppose that my State, after the enactment of this bill into law, changes its policy and permits State banks to have branches throughout the different parts of the State, does anyone believe that Congress is going—I see the Senator from Connecticut shakes his head. Does he wish to say something?

Mr. McLEAN. No bank can have a branch outside of its own city.

Mr. SHIPSTEAD. I say a State bank. What is to prevent it?

Mr. McLEAN. Under this bill—

Mr. SHIPSTEAD. I am not talking about this bill. I say if the State of Minnesota should change its policy and permit State banks to have branches all over the State, there is nothing in the bill to prevent the State of Minnesota from doing that.

Mr. EDGE. Of course not.

Mr. SHIPSTEAD. There is nothing to prevent the State banks of Minnesota availing themselves of that privilege.

Mr. EDGE. We can not dictate to the States. We are simply trying to protect our own business.

Mr. SHIPSTEAD. But we are confronted with this situation now because certain States have granted the privilege of branch banking to their banks, and so we are simply following in the footsteps of the States. In the event that other States change their policy and permit State banks to have State branches in various parts of the State, does anyone believe that we are not going to be confronted again with the same proposition and the same question, and that this is only one step? We are not meeting the situation fairly and squarely in my opinion. It seems to me the bill is a patchwork. It does not settle anything.

Mr. McLEAN. How would the Senator meet the situation?

Mr. SHIPSTEAD. I do not see how it can be met unless Congress absolutely dictates the policy of what shall be the banking system so far as the Federal Government is concerned. It can either say that no bank shall have branches or that all of them may have branches.

Mr. McLEAN. Does not the bill do that so far as national banks are concerned?

Mr. SHIPSTEAD. The national banks can not now have branches in a State where the State law does not permit the State banks to have branches.

Mr. McLEAN. Does not the Senator think if we did that that it would not encourage the States to adopt branch banks?

Mr. SHIPSTEAD. Of course, I do.

Mr. McLEAN. We do not want to do that. We want to do what is fair.

Mr. SHIPSTEAD. I am not accusing the committee or charging anyone with trying to be unfair, nor am I questioning their

motives. I know the committee has labored hard on this matter, but I can not see how they are settling the question at all. The Senator said he thought this bill would settle it.

Mr. McLEAN. If we adopt the Senate committee amendment—of course, it is dangerous to assume the rôle of a prophet—

Mr. SHIPSTEAD. Yes; I realize that.

Mr. McLEAN. My impression would be that the controversy will be removed from the Halls of Congress for some time, because we are settling it as between the banking interests, and if they remain loyal to it, it is a fair proposition; it is a proposition that any fair-minded man can defend and that the Committee on Banking and Currency can defend. But if we adopt the House amendment, the so-called Hull amendment, I will assure the Senator that the Committee on Banking and Currency in the next session will be called upon to amend it.

Mr. HARRELD. For the benefit of some particular State?

Mr. McLEAN. Yes.

Mr. SHIPSTEAD. Mr. President, I send to the desk a telegram and ask that it may be read.

The VICE PRESIDENT. The clerk will read as requested. The Chief Clerk read as follows:

CHICAGO, ILL., May 11, 1926.

HON. HENRIK SHIPSTEAD,

Senate Office Building, Washington, D. C.:

The following associations, representing approximately 9,000 Middle West banking institutions, respectfully ask that you aid in early enactment of McFadden banking bill as passed by House. In fairness to our national banking system and as protection for the American system of independent banking it is imperative that the Senate concur in the action taken by the House. The Hull amendments, which were approved by Banking and Currency Committee of the House, and which are a part of the bill as passed by the House, virtually guarantee that branch banking, a monopolistic practice, shall not be permitted to destroy a banking system which has played such a leading rôle in the marvelous development of America. This is more than merely a banking question, for unless branch banking is effectively curbed the American people must resign themselves to the inadequacies of an European or Canadianized banking system. We shall deeply appreciate your assistance.

IOWA BANKERS' ASSOCIATION.

INDIANA BANKERS' ASSOCIATION.

MISSOURI BANKERS' ASSOCIATION.

WISCONSIN BANKERS' ASSOCIATION.

NEBRASKA BANKERS' ASSOCIATION.

ILLINOIS BANKERS' ASSOCIATION.

CHICAGO AND COOK COUNTY BANKERS' ASSOCIATION.

Mr. McLEAN. Mr. President, that is a sample of the propaganda to which I have been subjected for four or five years on the question of branch banking. I have plenty of such matters in my office originating from the bankers who believe in branch banking.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. REED of Missouri. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Mayfield	Shipstead
Bayard	Fess	Means	Shortridge
Bingham	Frazier	Metcalf	Simmons
Blease	George	Moses	Smoot
Borah	Glass	Neely	Stanfield
Bratton	Goff	Norbeck	Steck
Broussard	Gooding	Norris	Stephens
Bruce	Hale	Nye	Swanson
Butler	Harreld	Oddie	Trammell
Cameron	Harris	Overman	Tyson
Caraway	Harrison	Phipps	Underwood
Copeland	Heflin	Pine	Wadsworth
Couzens	Jones, Wash.	Pittman	Walsh
Curtis	Kendrick	Ransdell	Warren
Dale	Keyes	Reed, Mo.	Watson
Deneen	King	Reed, Pa.	Weller
Dill	La Follette	Robinson, Ark.	Wheeler
Edge	McKellar	Robinson, Ind.	Williams
Edwards	McLean	Sackett	Willis
Ernst	McMaster	Schall	
Fernald	McNary	Sheppard	

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

Mr. WILLIS. Mr. President, before the roll shall be called on the pending amendment I wish to make a brief announcement. Personally I am entirely satisfied to have the vote taken on the Senate committee amendment, which I shall support, and on the bill, which I shall support, if and when a vote shall be had; but I want to make an announcement in behalf of the senior Senator from Wisconsin [Mr. LEXROOT], who is unavoidably absent to-day. He had expected that he would be able

to return before the vote was taken. The Senator from Wisconsin is very much opposed to the Senate committee amendment; he is in favor of the Hull amendment, and would so vote if he were present.

The VICE PRESIDENT. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

Mr. KING. Mr. President, the bill before us has some features that commend it to my judgment. It is not, however, a satisfactory bill and will prove a disappointment to the banking interests and to the country. In my opinion the Senate bill—that is, the bill with the Senate amendments—is an improvement over the bill in the form in which it passed the House. Candor, however, compels me to state that the importance of this legislation, when measured by the standpoint of the public good, as all legislation should be measured, has been greatly overestimated and exaggerated.

Bankers naturally have been interested in this measure. That is to be expected. The banking interests of the United States desire to retain the advantages which they enjoy and to obtain every advantage which it is believed other banking institutions have.

Questions of banking policy as a rule have been viewed by bankers from the standpoint of their own advantage, and whatever improvements in legislation have been accomplished have, when supported by bankers, been sought for the purpose of making banking safer for bankers and the stockholders of banks.

The Federal reserve act was intended to consolidate the control of the banking activities of the country in the so-called Federal reserve system. Of course, it was recognized that great benefits would result from that important legislation to the entire country. It was bitterly assailed by some bankers for reasons which were unsound—indeed, I have sometimes thought, from wholly selfish reasons. Important as the Federal reserve system is, and beneficial as it has proven to be to the entire country and particularly to commercial interests, it is nevertheless not a governmental institution. The stock of the Federal reserve banks is owned by banks. The profits are distributed to the member banks according to their share holding. If the member banks do not use their rediscounting privileges with the Federal reserve bank to which they are attached, they save the discount; but if the discounting privileges are used, the profits of the discount made by the Federal reserve bank come back to them in dividends after operating expenses are paid. The earnings, however, are limited to 6 per cent on the capital, and the residue passes to the Government as a franchise tax. But the Federal reserve banks have been prosperous; they employ a large personnel at unusually high salaries. They have constructed and are constructing permanent modern banking buildings at great costs; costs that in some instances would not be incurred even for permanent structures if there were not a plethora of funds on hand for these purposes.

A bank may, however, in some circumstances prefer to have state-wide banking, a savings department, to do a trust business, to make loans on the security of real estate, to be free from the rigorous Federal inspection, and to be able to use national bank notes and credits in other banks as reserve; it may weigh these advantages or exemptions against the rediscount privileges enjoyed by member banks with the Federal reserve banks and decide to forego the rediscount privilege in favor of these other advantages.

A tendency to make decisions of this character manifested by national banks taking out State charters, and in some cases withdrawing from the Federal reserve system, has stimulated alarm as to the consistent development and future domination of the Federal reserve system of the banking activities of the country. It is to meet this apprehension that the present legislation has been framed. This viewpoint is declared by the Senate committee in its report, which states that the enactment of this measure into law will—

put new life into the national banking system and produce a situation in the Federal reserve system where the rights of the national banks will be more nearly on a par with those of State member banks.

The report refers to the fact that State banks are permitted to enter the Federal reserve system with their full charter powers, and this places at a considerable disadvantage the national banks operating under the old national bank act.

Reference is made to the fact that national banks can not compete on terms of equality with State member banks while at the same time they are compelled to bear the "chief burden in supporting the Federal reserve system."

The Federal reserve system, however, is not a burden; if the arrangements for rediscounting and the concentration of re-

serves in the regional institutions do not afford sufficient assurance and advantage for the banks to maintain the system, then there is but little reason why it should be maintained. The real costs are administrative costs only and the profits of the Federal reserve operation come back to the member banks. The Government franchise tax can be automatically forestalled by lowering rediscount rates to reduce profits.

There are many persons who believe that the Federal reserve system ought not to cater to State banks. From a Federal standpoint this system is maintained as a fiscal agency of the Government, and upon this ground alone Congress has the constitutional power to create such a system. It has been argued by some that there is no reason why the Government should have more than one fiscal agency in a city; that if there were but one member of the Federal reserve system in a city or trading center the franchise would become so valuable that there would be no claim concerning the burden of maintaining the Federal reserve system or of any threats by members to withdraw.

The Federal reserve system has made great strides in unifying clearing operations, and some contend that intercity clearings represent the great field for the operation of this system. Improvement in the facilities for clearing credits will result in the reduction of balances, a material shortening of credit terms, a saving of interest, the diminution of risk, and the prevention of the need for long-term and frozen credits. This will reduce the burden on reserves and also reduce the volume of banking, because quick liquidations will shorten the life of loans and reduce the aggregate to the minimum required to carry on the business of the country.

I think no one is seriously opposed to the liberalization of the national banking act as proposed under the amendments carried in this bill. Whether the public interest will be materially benefited by these amendments some will question. Doubtless there will be greater concentration in banking under this bill. The bankers will be benefited, at least those who favor consolidation and the elimination of small competitors. However, inasmuch as money rates are fixed by statute, it may be that this concentration will not be unduly oppressive to the public. The danger, of course, is in the tendency to favor interests which control the banks in the matter of loans and give them a preference in credits which contributes to the formation of combinations by those corporations enjoying a privileged position as to credits.

But looking at the situation by and large, it may be said that the country is suffering from overbanking. There have been too many small banks, and this evil will be aggravated by the multiplicity of branch banks. Many think the ideal situation is to have a few strong institutions in each city and limited as to their locus in the city, specified in their charters. This would insure local control and identify the banks with the local commercial, economic, productive, and industrial interests.

The committee's report clearly indicates that the motive behind this proposed legislation is an endeavor to prevent the spread of branch banking and that the urge behind this bill is largely from the banks who see their own interest and position jeopardized by the spread of branch banking, either by the method of purchase or absorption of different banks or by the establishment of new branches which will have the effect of bringing more competition into the field as against the complaining banks. Congress does not have control of the banking franchises or the banking policies of the States of the Union. Many States permit State banks to have branches throughout the State. There is nothing Congress can do directly and finally to prevent this practice. It is a question of State policy, and perhaps in most of the States the banking interests will determine legislative action.

If the banking interests of a State desire branch banking it is quite likely legislation will be enacted by the States in harmony with their desires. The motive behind this bill is not so much to prevent the Federal reserve system from impairment as to use this system as a means of curtailing and preventing the practice of branch banking. The committee state that the bill—

recognizes the absolute necessity of taking legislative action with reference to the branch-banking controversy. The present situation is intolerable to the national-banking system. The bill proposes the only practicable solution by stopping the further extension of state-wide branch banking in the Federal reserve system by State member banks and by permitting national banks to have branches in those cities where State banks are allowed to have them under the State law.

The real controversy seems to be between the national banks and the State banks. National banks are not authorized to have state-wide branches, but are limited to the city with re-

spect of which the charter is granted. The State banks in many States are entitled to have and maintain branches throughout the State. There has been a notable development of branch banking in California under State law and this has attracted wide notice from bankers generally and has provoked controversy between the national bank and the state-wide branch banks in that State.

The bill before us, as reported by the House, denies the establishment of branch banks in those States which now do not permit branch banking. It permits, however, State banks which have branches at the date of the approval of the act to become members of Federal reserve banks, with the branches in existence upon said date of approval, and retain the branches. But the bill will not permit State banks to become members of the Federal reserve system and to obtain branches which may be acquired or established after the date of the approval of the act, except such branches as are maintained in the city where the State bank has its parent institution. Of course, the laws of the State, in any case, must authorize branch banking. In cases where the national bank and a State bank are consolidated, the latter having branches, the consolidated national bank may retain the branches.

There are other provisions in the bill to which I shall not refer. The bill seeks to confirm the present status and permit State banks to enter the Federal reserve system with the branches they now have in States permitting branch banking but to prevent them from entering the Federal reserve system and retain branches which they may hereafter acquire or establish, and prevent State banks in the Federal reserve system from establishing or acquiring any new branches, except in the city where the bank may be chartered.

It is seriously doubted that the bill, if it becomes a law, will do any more than retard the branch-banking practice which has been regarded as otherwise advantageous and desirable in any particular State. Within 10 years branch banking has been greatly extended on the part of State banks, and it appears desirable that these State banks shall become part of the Federal reserve system and contribute to the reserves held by the Federal reserve banks. There are many who believe that the bars will again be thrown down for the admission of State banks, branches and all, into the Federal reserve system which may hereafter be formed.

From the standpoint of the concentration of reserves, which was the principal reason behind the Federal reserve act, it is desirable that the State banks should be members of the Federal reserve bank for their respective districts. It is contended by some that purely from the standpoint of reserves and the safety of banking generally, which come from the consolidation of reserves, it ought to be a matter of indifference to Congress whether State banks in the Federal reserve system have or do not have branches. If this view is correct, the controversy over branch banking is a rather quasi-private controversy between national banks and State banks.

The controversy in California between the national and State banks over the question of branch banking was presented at great length to the committee. There was some feeling exhibited and branch banks were denominated by one or more witnesses as "bootlegger banks." I mention this to indicate that in its true magnitude there is something of the quasi-private character in this controversy. Of course, the attitude of the antibranch bankers of California is approved by bankers in many parts of the country, and their position in curbing branch banking has been made clear and has been earnestly presented to both the House and the Senate.

This bill will not settle the controversy. Many persons believe that Congress ought either to make the Federal reserve system a strictly nonbranch system or it ought to throw open the system to State banks without regard to the fact as to whether or not they maintain branches under their State charter powers. The bill before us seems to be a compromise on this question. As it passed the House it accommodates the present situation as to branch banks and makes a threat as to the future, which will scarcely frighten any State bank which really desires banks, and takes the view that its branch banks are worth more to it than a rediscount privilege accorded members of the Federal reserve bank.

Some of the ablest students of banking and currency problems are not giving support to this measure. They regard it as premature and as not framed with a view to meeting the real problems of the national-banking and Federal reserve system. That is the view of Dr. Henry Parker Willis, one of the highest authorities upon this question that can be found in this or any country. There are factors of vital importance in the banking situation which require treatment from Congress, which can only be accorded after a full and comprehensive

examination and a review of the whole banking field in the country, including the relation of State and national banks to the general banking activities of the United States.

Mr. President, I regret that the Banking and Currency Committee of the Senate did not report a measure more comprehensive in its character. The situation demands a measure far different from the one before us. On the 4th of January last I offered a resolution which directs attention to the defects in our banking and currency system and points out what I believe to be the proper steps to be taken in order that Congress may enact a measure that will satisfactorily meet the banking situation. I am confident that if the committees of the House and the Senate charged with the duty of framing needed banking and currency legislation had undertaken an investigation of the character indicated in my resolution we would have had before us a bill materially different in its terms and provisions from that now being considered.

Mr. GLASS. Mr. President, may I interrupt the Senator?

Mr. KING. I yield to the Senator from Virginia.

Mr. GLASS. I may say to the Senator that very likely he himself will recall that this resolution came to us practically after the committee had completed its inquiry, and that, incident to the preparation of this very bill, the Banking and Currency Committee has secured practically a library on the very subject to which the Senator is now addressing himself, embracing the most comprehensive, the most exhaustive, detailed, and complete report right along the lines of the Senator's resolution that Congress has ever had since the report of the monetary commission in 1910. If the Senate will merely authorize the publication of that report, we shall have at hand, as I have stated, a library that covers every point suggested in the Senator's resolution; and I can assure the Senator that the Banking and Currency Committee of the Senate is altogether agreeable to the consideration of the very matters he suggests in his resolution.

Mr. KING. Mr. President, my recollection is that the hearings before the Senate committee began several days after my resolution was offered. Indeed, as I recall, Doctor Willis was the first witness who testified before the committee, and my resolution had been offered prior to his appearance. However, I appreciate the statements made by the able Senator from Virginia, and sincerely hope that the monumental work presented by Doctor Willis will be published and given not only to the banking interests but to the people of our country.

I am somewhat familiar with the valuable contribution made to this intricate subject by Doctor Willis. It is the data presented to the Senate Committee by Doctor Willis to which the Senator from Virginia refers. In his testimony before the committee, Doctor Willis, referring to the bill before us, known as H. R. 2, said:

My point is that the effect of H. R. 2 is hurting the possible expansion of the system (referring to the Federal reserve system) rather than strengthening it, as has been alleged. * * *

I believe the King resolution, which is before you and calls for a general investigation of banking conditions in this country with the view of a revision of the banking legislation and getting a sound revision, is desirable. I want to make some small contributions to that, and so I present here, in volume 7, a digest or revision of the Federal reserve act and of the national banking act, which is intended to eliminate the obsolete features of both and to consolidate those sections that are repetitions and add some new features. I have no idea, of course, that it will receive more than passing attention, but I do seriously urge that some investigation be promptly undertaken for the purpose of getting similar results.

I do not see that there is any emergency existing calling for the passage of H. R. 2 at the present time. The only emergency is the continuance of the present epidemic that calls for some legislative adjustment that will not make it worse, as H. R. 2 will do, but that will check it.

If H. R. 2 is to be passed, it needs drastic and complete revision from the ground up. Better still that it should not be passed at all, but that the whole subject be deferred to the future that, in the meantime, it may be carefully examined.

Mr. President, the resolution which I offered is as follows:

Senate Resolution 106

Whereas the Federal reserve act of December 23, 1913, which established the Federal reserve system, has for its principal purpose the concentration of the banking reserves of the country; and

Whereas the complete concentration of banking reserves may only be accomplished by bringing the State as well as the national banks into correlation with the Federal reserve system; and

Whereas a large proportion of the State banks have never entered the Federal reserve system and a considerable number of national banks

have surrendered their charters and have been converted into State banks; and

Whereas such converted banks frequently leave the Federal reserve system at the time of their conversion and otherwise are free to leave the Federal reserve system at any time if they so elect; and

Whereas it is claimed that banks incorporated under the banking laws of the several States are vested with corporate privileges, and exercise a latitude of discretion in their operations, which are denied to national banking associations, particularly with respect to the currency and funds available for reserves, loans upon the security of real property, the exercise of certain fiduciary powers, the maintenance of branch banking offices, the acceptance of time and savings deposits; and are otherwise not subject to the same necessary restrictions as are State banking institutions; and

Whereas during the past two years there have been an unprecedented number of failures of both national and State banks, the underlying causes of which have not been ascertained and the proper means for the prevention of which have not been determined; and

Whereas there is believed to be a lack of coordination in the examination of national and State banks in order that examinations shall be thorough and frequent, yet without unnecessary duplication; and

Whereas a conflicting competition is developing between national and State banks, the course of which will have an important effect upon the future of the Federal reserve system and of the national-banking associations: Now therefore be it

Resolved, That the Committee on Banking and Currency be, and is hereby, authorized and directed to study the relative increase in the number of State banks as contrasted with national-banking associations; the rights and privileges vested in State banks which are not granted but which may be safely granted to national-banking associations; the restrictions and safeguards now imposed upon State banks which may with safety be imposed upon national-banking associations; the failures of State banks and national-banking associations since the enactment of the Federal reserve act, the causes thereof, and the proper means for the prevention of such failures; the character of official supervision exercised over State banks and national-banking associations; the policy and economic effects of branch banking and of so-called chain banking or holding-company banking, by which an individual or a group of individual bankers or of banking or other corporations exercise a controlling interest in a number of banks; the causes, extent, and effects of bank mergers and bank consolidation; the relation between investment banking and commercial banking by State banks and national-banking associations; the present status of savings deposits and the best means for protecting them; the policies of the Federal Reserve Board and their effect upon State banks and national-banking associations; the general operation of the Federal reserve system, both at home and in relation to foreign central banks; whether so-called "war amendments" to the Federal revenue act ought now to be repealed.

Mr. President, the statement of Doctor Willis shows the defects in the present bill and the necessity of a more thorough study of the entire subject before legislation is enacted. The testimony which he offered and the data which he submitted, if carefully studied by Congress, will enable it to formulate needed legislation.

When I offered the resolution I believed that the hearings before the House Committee on Banking and Currency did not cover the subject nor furnish sufficient data to enable Congress to deal with the question in a thorough and satisfactory manner. I believed that the McFadden bill was incomplete; that it was even less than a temporary bridge over a stream which was of rather large proportions; and that prudence dictated that legislation be deferred until the necessary study of the subject had been made. Everyone admits that our banking and currency laws need many changes; that notwithstanding the great benefits which have resulted from the Federal reserve act the time had come for an appraisal of its achievements and results and a careful scrutiny of its operations in order that any defects discovered might be rectified.

The former opponents of the Federal reserve act are now its most enthusiastic supporters. It was the rock of our salvation during the war, and under its operations and largely because of its wise and beneficent provisions our country has reached a position of financial strength and power never before attained by any nation.

But notwithstanding the preeminent position now occupied by our Nation in the financial world, and notwithstanding the fact that we have perhaps the finest and greatest banking system in the world, it is manifest that further study is required. Before any adequate banking and currency legislation is enacted comprehensive and thorough study should be made. I am not clear why the Banking and Currency Committee of the Senate, in the light of Doctor Willis's illuminating state-

ment and the mass of facts which he submitted, and in view of the great confidence which the members of the committee have in him, felt it necessary to report the pending bill. In my opinion they should have studied the facts and materials and data which he submitted, and in the light of the same reported a bill which would have measured up to the needs and requirements of our country.

However, I shall vote for the bill, though it is not what I should like. The appeals made in behalf of banks within the Federal reserve system, because of the disadvantage under which they are placed in those States which provide branch banking, impress me with the necessity of granting or providing relief.

The question of branch banking is still a live issue in this and in other countries. I am not satisfied that it is under all circumstances an evil per se. Perhaps Canada furnishes an example that supports the view that branch banking may develop into a serious evil. There it is claimed banking is almost a monopoly; the credits of the country have been so consolidated that a monopoly exists, and a condition has been created which is an impediment to the development and growth of the country.

With my present views I should like to see no extension of the branch-banking system in the United States. I perceive some evils, as it has been developed and is being developed in some of the States of the Union. I am therefore in sympathy with the provisions of this bill which tend to curb branch banking.

Mr. President, I had intended to say but a few words and to invite the attention of the committee to the resolution which I offered on January 4 last. Before taking my seat I would like to ask the chairman of the committee whether the testimony and data submitted by Doctor Willis will be printed?

Mr. McLEAN. Mr. President, I can not answer that question. The Senator knows that estimates have been made as to the cost.

Mr. KING. Yes.

Mr. McLEAN. The best estimate we can get is not less than \$17,000, if I remember correctly. Of course, the Senator realizes that at this time, when we all want to economize as much as we can, there would be some opposition to that, I think. Still it is a very valuable contribution. So far as I am personally concerned, I will say to the Senator that I should not object to the printing of that report, notwithstanding the cost of it; and that is about all I can say.

Mr. KING. The Senator but recalls what the Senator from Virginia [Mr. GLASS] said. He referred to the resolution which I had offered, and then stated that the testimony of Doctor Willis was a library and that it covered substantially all of the questions embraced in the resolution.

Mr. GLASS. Mr. President, not the testimony of Doctor Willis. Doctor Willis was one factor in this investigation. The investigation was conducted by a group of experts, composed, I suppose, of 20 persons.

Mr. KING. What I meant was that he presented it formally.

Mr. GLASS. Yes.

Mr. KING. I did not mean, of course, that all that he presented was oral testimony. He testified at length and then presented to the committee a vast amount of material and data dealing with all phases of our banking and currency system.

Mr. REED of Missouri. Mr. President, the Senator states that this bill is the best that we can get at the present time. I should like to have the Senator enlighten me on what advantages this bill gives over the present situation. I understand that the Senator is not in favor generally of branch banking.

Mr. KING. No.

Mr. REED of Missouri. Now, what are the advantages of this bill? I wish somebody would tell us.

Mr. KING. Mr. President, I am not a member of the Banking and Currency Committee, and I do not claim to be a profound student of fiscal and banking and currency matters. I can not answer the Senator as satisfactorily as other Senators could, but in a word the advantage which is claimed for this bill, as I understand, is this:

In many of the States, 22 in number, branch banks are permitted by State laws. Those banks have an advantage, so member banks of the Federal reserve system claim, in the States, because they have branch banks, and the Federal banks within the reserve system are denied that advantage. Therefore the Federal reserve banks, in view of the fact that they can not compel the dissolution of those branch banks, want some of the advantages which the State banks have under the branch-bank system, and therefore they desire that they may have branch banks within the limited area, the economic region which they serve, or the political or territorial subdivision; but they are not willing to go further. As I under-

stand the situation, they do not desire that they shall be permitted to have state-wide branch banks, but branch banks only within those States which permit branch banks within the economic area to which I have referred. Others, however, supporting the Hull amendment, want Congress to coerce the other States that do not have branch banks—that is, if this legislation, the Hull amendment, would be coercive—so that they will not amend their banking laws and permit branch banks.

So, answering the Senator from Missouri in a word, the advantage that I understand is claimed for this bill is that in those States that have branch banking it will permit the member banks of the Federal reserve system to have branch banks within a limited area.

Mr. REED of Missouri. Then I understand that the Senator, as a man who is opposed on principle to branch banks, wants to help pass a law that will establish branch banks in twenty-five States?

Mr. KING. No; I do not think I said that. If I did, I did not mean to convey that idea. What I did say was that I was not satisfied that branch banks per se were an evil, and I was not satisfied that unlimited branch banks would not prove a great evil; and I instanced the fact that in Canada, where they have branch banks, they have practically destroyed the unit-bank system, and all of the credits are in the hands of four banks in Montreal and another large city. That I would regard as an evil; but of course Congress can not interfere with the rights of States; and if they want branch banks, Congress will be unable to prevent them from affirmatively acting. Of course we can deny to Federal banks the right to avail themselves of the branch-banking system which any State might adopt.

My position is something like that of the Senator from Virginia, as announced by him yesterday when discussing the bill. As I understood him, his view was, while the last word had not been said upon the subject of branch banking, he favored the present bill which restricted and limited Federal reserve banks from maintaining branch banks. He was also unwilling to pass legislation at least at the present time which would deny to Federal banks the right to establish and maintain branch banks in those States which hereafter might change their present banking laws and permit State banks to establish branch banks. My predilection is against branch banks, and I think as a general proposition, or at least as an academic question, a branch-banking system may prove a serious injury to the economic, industrial, and commercial development of a community or State or nation.

With my present views I should like to see a halt in the further establishment of branch banks. In the meantime I hope that Congress will give exhaustive study to this subject as well as to our general banking system and formulate legislation that will meet all of the needs of this puissant Nation and its virile and progressive people.

Mr. REED of Missouri. Mr. President, I desire to say just one word about this bill.

I think that the present conditions are not at all critical. We have gotten along pretty well under the present law. We seem to have here a bill that satisfies neither the branch-bank advocates nor the advocates of unit banking, and we are asked to pass it, the chief argument being that a number of banks have retired from the Federal reserve system and have gone into the State banking system; and we are told that therefore we must permit the establishment of national bank branches in those States where the system of State branch banks exist.

Mr. President, the trouble with that argument is that it has not any facts to rest on. The real purpose of this bill is not in a general way to remedy the banking situation in this country. It is to extend the privilege of establishing branches in those States where the State laws permit it.

We are told that the banks are withdrawing because the State banks have the privilege and the national banks do not, but the trouble with that argument, I repeat, is that it has no facts to stand on. The withdrawals from the national system have occurred in those States where the State banks are not permitted to have branches, just the same as they have occurred in those States where the State banks are permitted to have branches, which demonstrates the accuracy of the statement I made a while ago, that the reason for the withdrawals can not be charged to the inability to establish branches, to the fact that State banks or trust companies may establish branches. The reason for the withdrawals must rest outside of that particular reason.

What are the reasons? They are many. In some States a State trust company can transact almost any kind of business under the State law. Some of the State laws are so drawn that it can almost engage in the business of farming. It acts

as trustee; it acts as guardian; it acts as administrator; in some instances, I think, it actually gives bond for the faithful performance of duties by public officers and private citizens. It is because national banks want to gain advantages of that character that they are going out of the Federal reserve system, more than on account of the fact that they can not establish branches. Yet the remedy here proposed is simply to permit the establishment of branches in certain States.

If we want to keep in the Federal system all of its present members, and if they are going out because under the Federal law they can not engage in certain lines of activity which they desire to enter upon, then it is our business to find out the real reason and to direct our attention to the question whether we can afford to pay the price necessary to keep those banks in the Federal system; that is to say, whether we are willing to confer upon national banks the right to engage in the lines of business now prohibited.

That brings up sharply the question whether, in order to keep the banks in the Federal system, we must not give to them every right and every privilege which is claimed by the banks in any State, and simply say that a national bank can engage in any line of business which is permitted to State banks or trust companies by the laws of the States where they are located.

So we will have not a Federal system, formulated in accordance with a specific plan which has been determined by the Congress to be safe, but we will have a Federal system subject to the whim and the caprice of the various State legislatures that may be from time to time assembled. So that in the end we may have a Federal system absolutely rotten and unsound, and made so because we have destroyed its soundness in an attempt to extend to its members every privilege that is extended to any State bank or trust company by the legislature of any State.

That is a very serious problem, and we are dealing here today with the smallest part of that problem, the effort to keep these banks in the system by extending the privilege to establish branches in certain States. That is not the thing that is taking them out of the system at all. It is a false argument. They are not leaving the system because they can not establish branches. I undertake to say that there is not a word of testimony in the record—and I have not read it; I am simply following the line of reason and common sense when I make the assertion—I undertake to say that it can not be proven that a single bank has left the Federal reserve system because it was denied the poor privilege of establishing a branch.

That, in my judgment, is a complete answer to the whole contention that is put forward in support of this bill. What those behind this legislation want to do is to extend the branch-bank system, and they have not quite enough confidence to ask to extend it to every part of the Union, so they ask to extend it to those States where State banks and trust companies are permitted to have branches. The moment that is done we will be confronted with an appeal stating, "You permit a part of the banks in the Federal reserve system to have branches, and therefore you ought to extend it to all the other States." That brings up, then, the question whether, as a general proposition, we want to extend the privilege of establishing branch banks.

Of course, if we kept within certain limits, there would be no danger. If, for instance, in a large city a bank were permitted to have one or two or three branches which were merely for the accommodation of customers, there would be no particular danger. If we had a bill of that kind before us, I would not object. I would not object, for instance, if the National City Bank in New York City, for the accommodation of its customers, wanted to establish a branch or two or three branches, located in convenient portions of that great city. If such a bill were here, I would not object to it.

Mr. McLEAN. Mr. President, that is precisely what this bill would do.

Mr. REED of Missouri. But the bill would do more. The bill would do the other thing.

Mr. McLEAN. I do not agree with the Senator.

Mr. REED of Missouri. When it is proposed to enlarge generally the right in many States to establish branch banks I think the whole question of the wisdom of a branch-banking system, as opposed to the wisdom of the unit-banking system, comes under review. I have so often expressed myself with reference to that question that I hesitate to take even five minutes of the time of the Senate to repeat those arguments, and I do not care to repeat them, but merely suggest them.

A branch-banking system inevitably tends to the creation of a money monopoly, controlled by one or two or three great aggregations. As has been stated, there are three central systems in the Dominion of Canada, and those systems, through

their branches, conduct the banking business of that vast dominion and of that rapidly growing nation.

We had that system once in the United States. It was established in fraud and corruption. It was born of bribery and roguery. It is demonstrated now that the bill establishing that system was put through Congress by absolutely corrupt means. It proceeded to establish its power and to fortify itself until at last, when its charter was again called in question, its representative was so confident of his ability to control all branches of the Government that he told Andrew Jackson that the bank was powerful enough to make and unmake Presidents. Then it was that Jackson replied, "If you are that powerful, then, by the living God, you are too powerful to live"; and Jackson struck that bank down, and there has not been an hour since that day when the great concentrated capital of this country has not clamored for the reestablishment of a single bank.

When the present Federal reserve bank bill was before the Senate committee man after man appeared insisting that there should be but one central bank. Man after man appeared insisting that that one central bank should be controlled alone by the banks and that the Federal Government should not be represented in any substantial way in the control of the affairs of the system about to be set up. All of those gentlemen of whom I am speaking were in favor of branches. They wanted a concentrated control, and I believe this whole legislation is only calculated to drive in that direction as far as they can go. They want to take now the outlying trench, and I am opposed to any such business as that.

Very briefly, the difference between the two systems is this: If the control of the finances of this country, the credits of this country, were in the hands of one central organization, of one bank, then there would be put in the hands of those who controlled that bank—it might be only one or two men—the ability to expand or contract the currency, which is the lifeblood of the commerce of 115,000,000 people. By a mere expansion, a loosening of credit, or a tightening of credit they could produce strife and ruin or they could produce inflation giving an apparent prosperity. That is one objection.

There is another objection which I think is perhaps quite as weighty. Such a system as I have been describing has no interest except of the most remote character in the prosperity of any community or of any individual. It becomes simply a great financial machine concerned only in the question of profit and loss. But the present unit-banking system is of an entirely different character. The men who organize those banks are the local citizens of the community. They not only are interested in the banks, but they are interested directly in some of the enterprises of the community and indirectly they are interested in the general prosperity of the community. Hence the bank, often abused, often referred to as the Shylock of the community, is after all the financial heart of the community and is frequently the means by which a community's prosperity is furthered. When we set up a central banking system or do anything in the nature of the creation of a central banking system with branches scattered all over the country, we take away the local interest and the local desire and the local impulse toward the building up of some community or some State, and the furthering of the private enterprises that will be upheld because they are local enterprises by a bank which is also a local enterprise and makes common cause with the people of the local community.

There is a third great reason. If one of these local banks fails, while it may be a great blow to that community, it does not generally shock the entire country and disturb the entire financial and commercial structure. It falls, brings with it some disaster, but the disaster is limited. Whereas if we set up a great system that controls generally, if such a system ever does fail, then the bankruptcy and ruin is universal and the Nation's welfare becomes imperiled. To use an old expression, it would be putting all our eggs in one basket and if that basket is dropped all of the eggs are ruined at one time.

Mr. President, I am opposed to every step leading toward branch banking. More than that I am opposed, for the sake of getting banks into the Federal reserve system, to adopting a proposition which fundamentally amounts to this: We will incorporate into the Federal system all of the dangers and all of the speculative elements that are now permitted to State banks by the various States, and that we will be obliged to do if we sacrifice the validity, the stability of the great Federal system merely for the purpose of drawing in members. If we ever shake confidence in the Federal system, it will be found that we will lose more members because that confidence has been shaken than we would lose now because some gentlemen, desiring to go into speculative banking, withdraw for that purpose. I would like to see the law stand as it stands

now until a profound study of all the circumstances and conditions should be made and a genuine improvement in our banking condition suggested which is the right production of right consideration.

The VICE PRESIDENT. The bill is still as in Committee of the Whole and open to amendment.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment, which I offer.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 28, after line 21, strike out section 14 in the following words:

SEC. 14. That the fourth paragraph of section 13 of the Federal reserve act be amended to read as follows:

"No Federal reserve bank shall discount for any member bank notes, drafts, or bills of exchange of any one borrower in an amount greater than may be borrowed lawfully from any national banking association under the terms of section 5200 of the Revised Statutes, as amended: *Provided, however,* That nothing in this paragraph shall be construed to change the character or classes of paper now eligible for discount by Federal reserve banks."

Mr. SHIPSTEAD. Mr. President, whatever views Senators may have, and however they may differ on the so-called Pepper and Hull amendments, it seems to me that there is a fair ground for a difference of opinion on those things. But on this amendment of mine I can not see why there should be any difference of opinion. My amendment would leave the law as it is in regard to the limitations on a certain class of paper that can be rediscounted with the Federal reserve bank, the paper of one borrower limited under section 13 of the Federal reserve act to 10 per cent of the member bank's capital and surplus. The bill with section 14 in it would remove the limitation on that class of paper that can be rediscounted with a Federal reserve bank. The law as it now reads—that is, the present law—is as follows:

The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actual existing value.

Section 14 would change existing law, which, I think, should not be changed. It is said that the bill is to liberalize the national banking act and the Federal reserve banking act. There is a certain kind of liberalization, a liberality against which I must protest. I do not think that the proposed change in the law is in the direction of safe banking. When the Congress enacted the Federal reserve banking law they put a limitation on certain kinds of paper that could be rediscounted with the Federal reserve banks, and the controversy arose, or the question arose, as to what Congress intended. I have here the Federal Reserve Bulletin for March 1, 1917, on page 195 of which the solicitor for the Federal Reserve Board defined the class of paper that could be rediscounted at Federal reserve banks under section 13 by member banks, and he has also given his opinion as to the kind of paper that is limited by the Congress. He said:

As commercial or business paper is not included in that part of section 13 of the Federal reserve act which is quoted above, it is evident that Congress intended to permit Federal reserve banks to rediscount without limit "bills of exchange drawn against actually existing values" acquired by member banks under section 5200, but did not intend to exempt from the limitations of section 13 that more comprehensive class of negotiable paper referred to as "commercial or business paper actually owned by the person negotiating the same." This latter class may be said to include a note, draft, bill of exchange, or other evidence of debt given in a commercial or business transaction if the person negotiating it is the actual owner of the debt evidenced by the instrument in question.

Congress, however, authorized Federal reserve banks to discount without limit only that class of commercial or business paper which consists of bills of exchange drawn against actually existing values. This being true, it is necessary to determine whether the language "actually existing values" when applied to trade acceptances may be said to refer to the value of the commodity sold and for which the bill of exchange is drawn or can be said to refer to the financial responsibility of the purchaser or drawee.

The former view has been adopted by the office of the comptroller as the more reasonable interpretation. This seems clearly justifiable, (a) since it is unlikely that Congress would have used the language "existing values" if it intended to refer merely to the financial responsibility of an individual, firm, or corporation, and (b) because the drawee against whom the bill is drawn is not legally bound to pay it until the bill is accepted.

In other words, if such bills were accepted from the limitations of section 5200 because the bank has recourse against some existing values and is not dependent solely upon the responsibility of the drawer or indorser who discounts it, the bank must be in a position to enforce this claim legally against whatever constitutes the existing value against which the bill is drawn, and must, therefore, have a lien in some form, evidenced by a bill of lading, warehouse receipt, or some other documentary evidence securing the bank if it discounts a "bill of exchange" before it is accepted and desires to treat it as drawn against actually existing value.

I can not see how there can be any real objection to the amendment. The McFadden banking bill has been called a branch banking bill. People who are opposed to branch banking are for it and people who favor branch banks are for it. I hope both sides will be satisfied. I have been unable to find any banker who is in favor of this proposed change in the Federal reserve banking act.

I have submitted it to quite a few bankers of large experience in whom I have a great deal of confidence, and in the first place they have expressed great surprise that it should be in the McFadden banking bill, and in the second place they have informed me that it should not be there.

Mr. McLEAN. Mr. President, the Senator will understand that this amendment was inserted at the request of the Federal Reserve Board and that it simply permits the Federal reserve banks to rediscount the same percentage of short-time credits that the national banks are now permitted to discount for their own customers; that is all.

Mr. SHIPSTEAD. I understand that.

Mr. McLEAN. National banks now have the right to exceed that limit, and this is simply giving the Federal reserve banks the power to take care of such paper. The Senator will observe the proviso restricts the class of paper to that which is now eligible for rediscount in the Federal reserve banks. I do not see any danger in the amendment, and if the Senator will be satisfied to let it go to conference and take his chances with the conference committee, I do not know that there will be any objection to the amendment on the part of the committee.

Mr. SHIPSTEAD. Let me say that this section does not change the character or the class of paper, but it does change the amount of that class of paper.

Mr. EDGE. Does the Senator object to a liberalization in favor of the banks if it shall be done with due regard to safety? I thought that most of the criticism in the past had been that the rules of the Federal Reserve Board were too drastic and too narrow, as it were, regarding many kinds of loans. This, of course, is in the nature of a broadening of the power.

Mr. SHIPSTEAD. I think it goes entirely too far for safety—that is my opinion—for that class of paper.

Mr. EDGE. I have great confidence in the judgment of the Federal Reserve Board; I understand they unanimously asked for the amendment, but, as the chairman of the committee, the Senator from Connecticut [Mr. McLEAN] has stated, there is no objection to having the matter discussed in conference.

Mr. SHIPSTEAD. Very well. If the amendment shall be accepted, I shall not take up the time of the Senate in its discussion.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD].

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I have another amendment to offer, which I send to the desk.

The PRESIDING OFFICER. The Senator from Minnesota offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 28, after the words "Sec. 14," in line 22, it is proposed to insert the following:

That the first paragraph of section 13 of the Federal reserve act be amended to read as follows:

"Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing notes and bills; or, solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national bank notes, or checks upon other Federal reserve banks, and checks and drafts payable upon presentation within its district, and maturing notes and bills payable within its district; or, solely for the purpose of exchange or of collection, may receive from any nonmember bank or trust company deposits of current funds in lawful money, national bank notes, Federal reserve notes, checks, and drafts payable upon presentation, or maturing notes and bills: *Provided,* Such nonmember bank or trust company maintains with the Federal reserve bank of its district a balance sufficient

to offset the items in transit held for its account by the Federal reserve bank: *Provided further*, That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, but in no case to exceed 10 cents per \$100, or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise: *Provided*, That whenever a check or checks drawn upon a bank are forwarded or presented to a bank for payment by any Federal reserve bank, or by any agent or agents thereof, the paying bank or remitting bank may pay or remit for the same, at its option, either in money or in exchange drawn upon its approved reserve agent and at its option may charge for such exchange not exceeding 10 cents per \$100, or fraction thereof, based on the total of checks presented at any one time."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Minnesota, which has just been stated.

Mr. SHIPSTEAD. Mr. President, let me say a word or so before the vote shall be taken on the amendment. If agreed to, the amendment would permit banks to make a small charge for the collection of checks, 10 cents for every \$100 or fraction thereof. I do not care to take up the time of the Senate in the discussion of the amendment.

Mr. GLASS. Mr. President, we have had this fight in Congress over and over again for the last 10 years. To agree to this amendment would simply mean to disrupt the fiscal system of 25,000 banks in this country which are members of the par-collection system. It would mean to impose a toll of \$200,000,000 upon commerce. I hope the Senate will vote down the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Minnesota.

The amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I was called from the Chamber when the vote was had, but I expected that there would be a record vote upon the so-called Pepper amendments as a substitute for the so-called Hull amendments. I therefore desire to reserve those amendments for a separate vote in the Senate. When the proper time comes I shall ask for the yeas and nays on the amendments. I do not care to prolong the discussion now, but I desire to have a record vote upon those amendments. I had expected that a record vote would be had as in Committee of the Whole, but it was not, and I simply desire to have that done in the Senate.

Mr. WILLIAMS. Mr. President, in the reservation made by the Senator from Wisconsin, does he mean that he wants a separate record vote on section 5155, beginning on page 13 of the bill, or on each subsection of that section?

Mr. LA FOLLETTE. I should not be inclined to ask for a separate vote on each subsection. All that I desire is to have a record vote on the so-called Pepper amendments, which were substituted for the Hull amendments.

Mr. WILLIAMS. They are embraced in subsection c, are they not?

Mr. LA FOLLETTE. No; the portion of the bill to which I refer includes section 5155 and also takes in a part of section 5190. I should be perfectly willing to have those two voted on as one, and I think, in view of the parliamentary situation, that would be the proper procedure.

Mr. McLEAN. That is all right.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole and open to amendment. If there be no further amendment to be offered, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole, with the exception of the amendments reserved by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendments, with the exception of those reserved, were concurred in.

The PRESIDING OFFICER. The question is on concurring in the amendments reserved by the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I ask for the yeas and nays upon concurring in the amendments to those two sections.

The PRESIDING OFFICER. Will the Senator again state the sections?

Mr. LA FOLLETTE. The committee amendment begins on page 12 of the print of the bill which I have.

Mr. EDGE. It includes section 7, in other words, does it not?

Mr. LA FOLLETTE. The section numbers have been changed, have they not? I think it includes section 7 and also section 8; but, as I have said, I am perfectly willing to vote on them together, because they are so interrelated that it is practically

impossible to separate them. Therefore I ask unanimous consent that the yeas and nays shall be called upon the committee amendments to sections 7 and 8 of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. WILLIAMS. Mr. President, the objections of a number of the Members of the Senate do not run to subsections (a), (b), and (d) and other subsections of section 5155 as amended, but run rather to the effect of the Pepper amendment on the Hull amendment that is contained practically in subsection (c).

Mr. LA FOLLETTE. If the Senator from Missouri will permit the vote to be taken as I have suggested, then, if he so desires, he may offer an amendment in the Senate to subsection (c) of section 7. I desire simply to have a record vote on all of the changes of a major character.

The PRESIDING OFFICER. The yeas and nays have been demanded. Are they sufficiently seconded?

Mr. COUZENS. I ask that the amendment may be read.

The PRESIDING OFFICER. Will the Senator wait for a moment until the Chair ascertains whether the yeas and nays are ordered?

The yeas and nays were ordered.

Mr. TRAMMELL. Mr. President, my idea in revamping the banking laws is that we may enact a law that will not discriminate in favor of or against either National or State banks. From the expressions of opinion of members of the committee, and their statements as to their positions, I gather that it is also their intention that we shall have laws on the subject of branch banks that will apply in equal terms to both State and National banks.

In reading over the committee amendment on page 13, paragraph (d), I find that it is provided:

(d) If at the date of the approval of this act there is situated in any State which prohibits branches a national-banking association which has one or more branches within the city in which the parent bank is located, any other national bank situated in such city may establish within the limits of such city branches not exceeding in number the aggregate number of branches maintained by each national-banking association.

The purport and meaning of that paragraph of the amendment, as I construe, are that if, at any time when the State law permitted branch banks, a national bank within a given State established a branch bank or more than one branch bank, and subsequent to the establishment of that branch bank the State law was amended so as to prohibit branch banking, the bank established while it was legal for it to be established may be continued, although the revised and amended State law prohibits branch banking. This paragraph of the amendment, however, does not only provide for a continuation of the branch bank which was established during the time when it was legal for it to be so established, but it provides, in addition, that an equal number of branch banks may hereafter be established within that city by national banks.

So far as adjusting the situation as between national banks is concerned, that provision, of course, would appear equitable as between national banks; but when, as a matter of fact, it is illegal for a branch of a State bank to be established, in its operation it necessarily works a discrimination against existing State banks within that city and in favor of national banks, because it permits the establishment of further national banks equal to the number that have already been established and were at the time of establishment authorized by the State law.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Virginia?

Mr. TRAMMELL. I yield.

Mr. GLASS. If the Senator from Florida will yield, he is addressing himself to a provision of the bill that was stricken out by the Senate.

Mr. TRAMMELL. I am very glad to hear that it was stricken out. My criticism evidently has been recognized as just.

Mr. SIMMONS. Before the Senator made it.

Mr. TRAMMELL. Others evidently recognized the same situation. I was out of the Chamber at the time it was stricken out. I happen to be like many other Senators here. I am not always in the Chamber, and I find that about 95 other Senators are sometimes out when an amendment is proposed or part of a bill is stricken out.

Mr. GLASS. I hope the Senator will pardon me for calling his attention to that fact.

Mr. TRAMMELL. I thank the Senator very much. I am very glad that has been done.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole and reserved on the request of the Senator from Wisconsin [Mr. LA FOLLETTE]. On that question the yeas and nays have already been ordered. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. PEPPER]. I understand that if he were present he would vote as I shall vote. I therefore vote "yea."

Mr. NORRIS (when Mr. HOWELL's name was called). I desire to announce that my colleague [Mr. HOWELL] is detained from the Senate on account of a death in his family.

Mr. WILLIS (when Mr. LENROOT's name was called). I desire to announce that upon this question the senior Senator from Wisconsin [Mr. LENROOT] is paired with the senior Senator from Florida [Mr. FLETCHER]. If the Senator from Wisconsin were present, he would vote "nay," and if the Senator from Florida were present, he would vote "yea."

Mr. REED of Pennsylvania (when Mr. PEPPER's name was called). My colleague [Mr. PEPPER] is necessarily absent today. If he were present, he would vote "yea."

The roll call was concluded.

Mr. ERNST. I have a general pair with the junior Senator from Nebraska [Mr. HOWELL], who would, I am informed, vote "nay." I transfer that pair to the Senator from Mississippi [Mr. HARRISON], who, if present, would vote "yea." I vote "yea."

Mr. CURTIS. I have a pair for the day with the senior Senator from Rhode Island [Mr. GERRY]. Not knowing how he would vote on this question, I withhold my vote.

Mr. SIMMONS (after having voted in the affirmative). I am paired with the senior Senator from Oklahoma [Mr. HARRELD]. I do not see him in the Chamber. I transfer that pair to the senior Senator from South Carolina [Mr. SMITH] and will let my vote stand.

Mr. TRAMMELL. I wish to announce the absence of my colleague [Mr. FLETCHER] on account of illness. He has a pair with the senior Senator from Wisconsin [Mr. LENROOT]. If my colleague were present, he would vote "yea."

Mr. JONES of Washington. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired on this question with the Senator from Illinois [Mr. MCKINLEY]. If present, the Senator from Delaware would vote "yea" and the Senator from Illinois would vote "nay."

Mr. ROBINSON of Arkansas. I wish to state that the senior Senator from South Carolina [Mr. SMITH] is necessarily detained from the Senate by illness.

Mr. JONES of Washington. I desire to announce that the junior Senator from Massachusetts [Mr. GILLET] has a general pair with the senior Senator from Alabama [Mr. UNDERWOOD].

The result was announced—yeas 60, nays 17, as follows:

YEAS—60

Bayard	Ernst	McKellar	Sackett
Bingham	Fernald	McLean	Schall
Blease	Ferris	McMaster	Sheppard
Borah	Fess	Mayfield	Shortridge
Bratton	George	Means	Simmons
Broussard	Glass	Metcalf	Steck
Bruce	Goff	Moses	Stephens
Butler	Hale	Neely	Swanson
Caraway	Harris	Norbeck	Trammell
Copeland	Hedlin	Oddie	Tyson
Couzens	Johnson	Overman	Wadsworth
Dale	Jones, N. Mex.	Phipps	Warren
Dill	Jones, Wash.	Ransdell	Watson
Edge	Keyes	Reed, Pa.	Weller
Edwards	King	Robinson, Ark.	Willis

NAYS—17

Cameron	Harreld	Nye	Wheeler
Cummins	Kendrick	Pine	Williams
Deneen	La Follette	Shipstead	
Frazier	McNary	Stanfield	
Gooding	Norris	Walsh	

NOT VOTING—19

Ashurst	Gerry	Lenroot	Robinson, Ind.
Capper	Gillett	MCKINLEY	Smith
Curtis	Greene	Pepper	Snoot
du Pont	Harrison	Pittman	Underwood
Fletcher	Howell	Reed, Mo.	

So the amendments made as in Committee of the Whole and reserved were concurred in.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to offer an amendment.

The VICE PRESIDENT. The Senator has the right to offer the amendment at this time. The Secretary will state the amendment.

The CHIEF CLERK. It is proposed to substitute for subsection (c) of section 7 the following:

It shall be unlawful for any member bank to establish a branch in any State which does not, at the time of the approval of this act,

permit banks created by or existing under the laws of such State to establish branches, or to establish in any State, after the approval of this act, a branch beyond the corporate limits of the municipality in which such bank is located.

The VICE PRESIDENT. It will be necessary to reconsider the vote by which the amendment made as in Committee of the Whole was concurred in before this amendment can be considered.

Mr. WILLIAMS. I understood that there would be no objection to that course.

Mr. McLEAN. Mr. President, this amendment involves in substance the same question that was just voted upon by the Senate; but I have no objection to a reconsideration.

The VICE PRESIDENT. Is there objection to a reconsideration? The Chair hears none. The question is on the amendment proposed by the Senator from Missouri.

Mr. WILLIAMS. Mr. President, I have no objection, and could have none, to the adoption of a large part of section 7. I think it is well in keeping with good banking and with the carrying out of the purposes of the Federal reserve act.

Section (a) of course, I think, should be adopted. Section (b) should be adopted.

We have about 1,300 or more State banks in the State of Missouri. In the State of Missouri we have a law against branch banking. Our State banks in Missouri are opposed to subsection (c) and are in favor of the Hull amendment to the McFadden bill on that subject.

I therefore ask for a vote on this amendment.

Mr. GLASS. Mr. President, the Senate should understand that the amendment proposed by the Senator from Missouri is substantially the Hull amendment which we have just voted down.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri.

The amendment was rejected.

The VICE PRESIDENT. Without objection, the amendment made as in Committee of the Whole will be again concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "A bill to amend an act entitled 'An act to provide for the consolidation of national banking associations,' approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5139, section 5142, section 5146 as amended, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 4, section 9, section 13, section 22, and section 24 of the Federal reserve act, and section 8 of the act entitled 'An act to supplement existing laws against unlawful restraint and monopolies, and for other purposes,' approved October 15, 1914, as amended, and for other purposes."

Mr. McLEAN. I move that the Senate insist on its amendments, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees.

The motion was agreed to, and the Vice President appointed Mr. McLEAN, Mr. EDGE, and Mr. GLASS conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9037) validating certain applications for and entries of public lands, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 28, 29, and 37 to the said bill and concurred therein; that the House had receded from its disagreement to the amendment of the Senate No. 27 and concurred therein with an amendment, in which it requested the concurrence of the Senate; and that the House further disagreed to the amendment of the Senate No. 20.

ELIZABETH RIVER BRIDGE, VIRGINIA

Mr. BINGHAM submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7093) granting the consent of Congress to O. Emmerson Smith,

F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: Strike out all of section 1 after the word "act" in line 1, page 2, as follows: "The construction of such bridge shall not be commenced, nor shall any alterations of such bridge be made, either before or after its completion, until the plans and specifications for such construction or alterations have been first submitted to and approved by the Secretary of War, the Secretary of the Navy, and the Secretary of Agriculture, acting jointly, and they, acting jointly, shall determine whether the location selected is feasible for the erection of such bridge without obstructions in navigation and without being detrimental to the development of interstate and foreign, as well as domestic, commerce moving to and from the particular location on the southern branch of the Elizabeth River to the inland waters of the State concerned, and whether public convenience will be served by such bridge as a connecting link between the Federal-aid highway systems of the State of Virginia. The said Secretaries, acting jointly, are empowered, and, if requested to do so, are directed, to hold public hearings for the full and complete determination of said precedent requirements."

WESLEY L. JONES,

HIRAM BINGHAM,

JAMES COUZENS,

MORRIS SHEPPARD,

Managers on the part of the Senate.

E. E. DENISON,

O. B. BURNETT,

TILMAN PARKS,

Managers on the part of the House.

Mr. KING. Mr. President, does this bill involve the question of the right of the Federal Government to exact tolls?

Mr. BINGHAM. It does not. The bill as amended by the Senate gives to the Secretary of War, the Secretary of State, and the Secretary of Commerce the right to pass upon the plans for the bridge. The House committee felt that this was an unusual arrangement and was not necessary, and after conference the Senate conferees receded from their position, so that the bill is now in the form usually adopted. The question as to the plans for the bridge must be passed upon by the Secretary of War, as in all other cases. It merely makes the bill conform to the usual form of bridge measures.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

MISSISSIPPI AND MISSOURI RIVER BRIDGES

Mr. BINGHAM. I move to reconsider the votes by which the Senate yesterday ordered to a third reading and passed the bill (H. R. 10090) granting the consent of Congress to Alfred L. McCawley to construct, maintain, and operate bridges across the Mississippi and Missouri Rivers, at Alton, Ill., on the Mississippi, and at or below Halls Ferry or Musics Ferry on the Missouri River.

The motion to reconsider was agreed to.

Mr. BINGHAM. On page 2, line 1, I move to strike out the words "Halls Ferry" and insert "Bellefontaine."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill granting the consent of Congress to Alfred L. McCawley to construct, maintain, and operate bridges across the Mississippi and Missouri Rivers at Alton, Ill., on the Mississippi, and at or near Bellefontaine on the Missouri River."

CAPTURED WAR DEVICES AND TROPHIES

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2475) to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924, which were, on page 2, line 24, after the word "distribution," to insert "and to include the Canal Zone in such apportionment and distribution";

on page 3, to strike out all after "not," in line 11, down to and including "apportionment," in line 12, and insert "on or before July 1, 1927"; on page 3, line 14, after the word "redistributed," to insert "to the several States, Territories, and possessions of the United States, the District of Columbia, and the Canal Zone"; on page 3, line 16, after the word "rejected," to insert "on or before July 1, 1928"; on page 3, to strike out all after "determine"; in line 18, down to and including "to" in line 19; and on page 3, line 21, after the word "distribution," to insert "under this act, may be sold, or otherwise disposed of."

Mr. WADSWORTH. I move that the Senate concur in the House amendments.

Mr. ROBINSON of Arkansas. Mr. President, I can not hear what is going on, and I would like to hear what the Senator is saying.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. WADSWORTH. The amendments suggested by the House are perfecting in character. They do not change the bill, which has been returned from the House with amendments. The bill passed the Senate earlier in the session. It is a measure relating to the distribution of World War trophies now in the hands of the War Department.

The Senator from Arkansas will doubtless recollect that something like three years ago we set up by statute a method of distributing trophies equitably among the different States, the distribution within each State to be made by the governor of the State. It seems that certain States have not applied for their entire quota of trophies, and the surplus has therefore been left in the hands of the War Department. The department, however, did not feel that it has the right under the law to make another distribution of these so-called surplus trophies, and the bill is to permit the War Department to take those unapplied-for war trophies and give them to the States that want them. The House has made some comparatively unimportant amendments of a textual character. There is no change in the purpose of the bill.

Mr. ROBINSON of Arkansas. I suppose the States that have not obtained the trophies will have ample opportunity of doing so?

Mr. WADSWORTH. Oh, yes.

Mr. TRAMMELL. Mr. President, may I ask the chairman of the Committee on Military Affairs at what time the act was passed giving the States the privilege of obtaining these trophies?

Mr. WADSWORTH. June 7, 1924; two years ago.

Mr. TRAMMELL. In a great many States there are only biennial sessions of the legislature, and it is possible that the bill will deprive some of the States of the privilege of obtaining their quota, because the legislature has not yet acted. I do not know how it is in my own State. The legislature of a State may at a subsequent session, which would be a second session of the legislature of the State, pass an appropriation for the purpose of distributing the trophies within the State. That is the objection which occurs to me.

I do not know how it is in my own State. We have had only one session of the legislature in my State since the enactment of the law. That was in April and May, 1925. It is possible that my State has made some provision for obtaining its quota; I do not know. I would dislike very much to have it precluded, if this act would preclude it, merely because the first session of the legislature did not act upon the question of making an appropriation for the distribution of the trophies. I just raise that point.

Mr. WADSWORTH. The passage of this bill would not preclude any State from getting its full quota. It merely provides that in the event any State does not want its quota the surplus may go to other States.

Mr. TRAMMELL. I thank the Senator.

Mr. KENDRICK. Mr. President, may I ask the Senator from New York whether the bill would take effect at once or will further time be given the States in which to make application?

Mr. WADSWORTH. Further time will be extended in which to make application for this class of trophies. The door is not closed to the other States which still want to get their regular quota of trophies.

Mr. KENDRICK. But if some of the trophies were distributed among the States that have already received their quota, it would more or less limit those to be distributed to States that have not made application. Is not that true?

Mr. WADSWORTH. That could only happen in the event a State informed the War Department that it did not want the full quota.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York to concur in the amendments of the House.

The motion was agreed to.

UNITED STATES MILITARY ACADEMY

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4547) to establish a department of economics, government, and history at the United States Military Academy, at West Point, N. Y., and to amend chapter 174 of the act of Congress of April 19, 1910, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1911, and for other purposes," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WADSWORTH. I move that the Senate insist on its amendment, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. CAMERON, Mr. HALE, and Mr. STECK conferees on the part of the Senate.

LANDS AND FUNDS OF THE CROW TRIBE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 8185) to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRELD. I move that the Senate insist on its amendment, agree to the conference asked by the House, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to, and the President pro tempore appointed Mr. HARRELD, Mr. CAMERON, and Mr. KENDRICK conferees on the part of the Senate.

DELAWARE RIVER BRIDGE NEAR BURLINGTON, N. J.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 4070) granting the consent of Congress for the construction of a bridge across the Delaware River at or near Burlington, N. J., which were, on page 1, line 4, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 2, line 4, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 2, line 16, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 4, line 18, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 5, line 2, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; and on page 5, line 11, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their."

Mr. EDGE. I move that the Senate concur in the amendments made by the House.

The motion was agreed to.

VALIDATION OF PAYMENTS FOR COMMUTATION OF QUARTERS, HEAT, AND LIGHT, ETC.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2996) to validate payments for commutation of quarters, heat, and light, and of rental allowances on account of dependents, which were, on page 1, line 5, to strike out "to officers as" and insert "of"; and on page 2, to strike out lines 1 to 21, inclusive, and insert:

That where the payee responded to a needy family condition in an amount at least equal to the allowances obtained by him no collection shall be made on account of payment of the allowances to him prior to July 1, 1923; and amounts heretofore collected as refund of the allowances obtained in such cases prior to July 1, 1923, notwithstanding the protest of the payee, either by stoppage of pay, payment in cash, allotment of pay, or offset, shall be refunded; but this proviso shall not be applicable where the payee has admitted there was no dependency on him, or where he has refused to furnish evidence of the dependency, or where the payee has voluntarily refunded the payments in whole or in part, or has submitted no claim for the allowances in the nature of a protest against offset of his pay as refund of the payments.

Mr. WADSWORTH. I move that the Senate concur in the House amendments.

The motion was agreed to.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented resolutions adopted by the Chamber of Commerce of Vallejo, Calif., protesting against the passage of Senate bill 3335, to regulate, control, and safeguard the expenditure of Federal funds on construction work, which were referred to the Committee on Commerce.

He also presented resolutions adopted by the El Centro (Calif.) Chamber of Commerce, protesting against the passage of the so-called Smith bill, being the bill (S. 2808) to amend section 24 of the interstate commerce act, as amended, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the San Francisco (Calif.) Chamber of Commerce, protesting against the passage of legislation providing for the compulsory consolidation of railroads and favoring voluntary consolidations subject to the approval of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the San Diego County public health committee, of San Diego; the Alameda district of the California Federation of Women's Clubs; and the Los Angeles district board of the California Federation of Women's Clubs, all in the State of California, favoring the passage of the bill (H. R. 9497) providing funds for the reimbursement of the Indians in California for lands taken from them under the 18 treaties of 1851 and 1852, and without treaty and under subsequent court decisions for which no compensation has heretofore been made, which were referred to the Committee on Indian Affairs.

He also presented a resolution adopted by Barrett Camp, No. 29, United Spanish War Veterans, of Alameda, Calif., protesting against the passage of House bill 8538, amending the national defense act, by prohibiting any officer of the United States Army from teaching a military course in any school other than a purely military school, if such military course is a prerequisite for graduation, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by Riverside Post, No. 118, Grand Army of the Republic, and auxiliary organizations connected therewith, including Riverside Camp, No. 23, Sons of Union Veterans of the Civil War, and the auxiliary thereto; the Woman's Relief Corps; and Belle S. Herr Circle, No. 68, Ladies of the Grand Army of the Republic, all of Riverside; Sedgwick Post, No. 17, Department of California and Nevada, Grand Army of the Republic; Sedgwick Woman's Relief Corps, No. 17, Department of California and Nevada; Shiloh Circle, No. 21, Department of California and Nevada; Sarah A. Rounds Tent, No. 10, Daughters of Veterans, Department of California and Nevada; and Santa Ana Camp, No. 12, Sons of Veterans, Department of California and Nevada, in the State of California, praying for the passage of legislation providing increased pensions to veterans of the Civil War and their dependents, which were referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. GILLET, from the Committee on the Judiciary, to which was referred the bill (S. 2587) to amend the trading with the enemy act, reported it with an amendment and submitted a report (No. 818) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 1919) for the relief of the Portland Iron Works (Rept. No. 819);

A bill (H. R. 815) for the relief of O. H. Lipps (Rept. No. 820); and

A bill (H. R. 6003) for the relief of Charles B. Beck (Rept. No. 822).

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (H. R. 2333) for the relief of Katherine Rorison, reported it without amendment and submitted a report (No. 821) thereon.

He also, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4209) to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes, reported it without amendment and submitted a report (No. 823) thereon.

He also, from the same committee, to which was referred the bill (S. 4073) to provide for the establishment of the Shenandoah National Park, in the State of Virginia, and the Great Smoky Mountain National Park, in the States of North Carolina and Tennessee, and for other purposes, reported it with an amendment and submitted a report (No. 824) thereon.

He also, from the Committee on Claims, to which was referred the joint resolution (S. J. Res. 92) consenting that certain States may sue the United States, and providing for trial

on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the years 1866, 1867, and 1868, and vesting the right in each State to sue in its own name, reported it with amendments and submitted a report (No. 829) thereon.

Mr. NORBECK, from the Committee on Pensions, to which was referred the bill (H. R. 9966) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, reported it with amendments and submitted a report (No. 825) thereon.

Mr. KENDRICK, from the Committee on Indian Affairs, to which was referred the bill (S. 3884) authorizing expenditure of tribal funds of Indians of the Tongue River Indian Reservation, Mont., for expenses of delegates to Washington, reported it without amendment and submitted a report (No. 826) thereon.

Mr. MEANS, from the Committee on Claims, to which was referred the bill (H. R. 9938) for the relief of Frank A. Bartling, reported it without amendment and submitted a report (No. 827) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8486) for the relief of Gagnon & Co. (Inc.), reported it without amendment and submitted a report (No. 828) thereon.

Mr. JOHNSON, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 6729) to amend section 18 of the irrigation act of March 3, 1891, as amended by the act of March 4, 1917, reported it without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4243) for the relief of Ella O'Neill Ballantyne; to the Committee on Finance.

By Mr. DILL:

A bill (S. 4244) granting a pension to Sarah E. Klock; to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 4245) granting an increase of pension to Minerva C. McMillan; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4246) to enforce the liability of common carriers for loss of or damage to grain shipped in bulk; to the Committee on Interstate Commerce.

By Mr. BUTLER:

A bill (S. 4247) to amend and reenact sections 3, 20, 31, 33, and 38 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," as amended by an act approved June 7, 1924, and for the insertion of two new sections in said act between sections 5 and 6 and sections 41 and 42 of said act, to be designated as "5a" and "41a" of said act; to the Committee on Territories and Insular Possessions.

By Mr. PHIPPS:

A bill (S. 4248) to amend the tariff act of 1922; to the Committee on Finance.

By Mr. HARRIS:

A bill (S. 4249) to authorize the President to appoint Fred R. Crandall a first lieutenant of Infantry in the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. NORRIS:

A bill (S. 4250) for the relief of Mrs. Ernest W. Hedlun; to the Committee on Claims.

JOHN T. PEET

On motion of Mr. CURTIS, it was

Ordered, That the papers filed with the bill (S. 400, 69th Cong. 1st sess.) for the relief of John T. Peet, be withdrawn from the files of the Senate, no adverse report having been made thereon.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by title and referred as indicated below:

H. R. 3796. An act to establish a national military park at the battle field of Moores Creek, N. C.; to the Committee on the Library.

H. R. 10312. An act to authorize the disposition of lands no longer needed for naval purposes;

H. R. 10503. An act to authorize certain alterations to the six coal-burning battleships for the purpose of providing better launching and handling arrangements for airplanes; and

H. R. 11355. An act to amend that part of the act approved August 29, 1916, relative to retirement of captains, commanders, and lieutenant commanders of the line of the Navy; to the Committee on Naval Affairs.

H. R. 9914. An act providing for the inspection of the Bull Run battle fields from and including Centerville and to and including Thoroughfare Gap and Warrenton, in the State of Virginia;

H. R. 10052. An act to authorize the sale of the Mesa Target Range, Arizona;

H. R. 10203. An act authorizing the Secretary of War to convey certain portions of the military reservation at Monterey, Calif., to the city of Monterey, Calif., for street purposes;

H. R. 10385. An act to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the enlisted Reserve Corps;

H. R. 10984. An act to amend the national defense act of June 3, 1916, as amended, so as to permit the Secretary of War to detail enlisted men to educational institutions;

H. R. 11613. An act to provide for the study and investigation of battle fields in the United States for commemorative purposes;

H. R. 11762. An act to provide for the sale of uniforms to individuals separated from the military or naval forces of the United States;

H. R. 11927. An act to authorize the Secretary of War to sell a portion of the Fort Ringgold Military Reservation, Tex., to Rio Grande City Railway Co.;

H. R. 12043. An act to provide for the inspection of the battle field of Stones River, Tenn.;

H. R. 12103. An act to provide for the inspection of the battle field of Fort Donelson, Tenn.; and

H. J. Res. 226. Joint resolution authorizing the Secretary of War to lend 350 cots, 350 bed sacks, and 700 blankets for the use of the National Custer Memorial Association, at Crow Agency, Mont., at the semicentennial of the Battle of the Little Big Horn, June 24, 25, and 26, 1926; to the Committee on Military Affairs.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 10860) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

REGULATION OF COMMERCIAL AVIATION

Mr. BINGHAM. I move that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on Senate bill 41, to encourage and regulate the use of aircraft in commerce, and for other purposes.

The motion was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate the report of the committee of conference, which will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That as used in this act, the term 'air commerce' means transportation, in whole or in part, by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of aircraft from one place to another for operation in the conduct of a business. As used in this act, the term 'interstate or foreign air commerce' means air commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through the airspace over any place outside thereof; or wholly within the airspace over any Territory or possession or the District of Columbia.

"SEC. 2. Promotion of air commerce.—It shall be the duty of the Secretary of Commerce to foster air commerce in accordance with the provisions of this act, and for such purpose—

"(a) To encourage the establishment of airports, civil airways, and other air navigation facilities.

"(b) To make recommendations to the Secretary of Agriculture as to necessary meteorological service.

"(c) To study the possibilities for the development of air commerce and the aeronautical industry and trade in the United States and to collect and disseminate information relative thereto and also as regards the existing state of the art.

"(d) To advise with the Bureau of Standards and other agencies in the executive branch of the Government in carrying forward such research and development work as tends to create improved air navigation facilities. The Secretary of Commerce is authorized to transfer funds available for carrying out the purposes of this subdivision to any such agency for carrying forward such research and development work in co-operation with the Department of Commerce.

"(e) To investigate, record, and make public the causes of accidents in civil air navigation in the United States.

"(f) To exchange with foreign governments through existing governmental channels information pertaining to civil air navigation.

"Sec. 3. Regulatory powers.—The Secretary of Commerce shall by regulation—

"(a) Provide for the granting of registration to aircraft eligible for registration, if the owner requests such registration. No aircraft shall be eligible for registration (1) unless it is a civil aircraft owned by a citizen of the United States and not registered under the laws of any foreign country, or (2) unless it is a public aircraft of the Federal Government, or of a State, Territory, or possession, or of a political subdivision thereof. All aircraft registered under this subdivision shall be known as aircraft of the United States.

"(b) Provide for the rating of aircraft of the United States as to their airworthiness. As a basis for rating, the Secretary of Commerce (1) may require, before the granting of registration for any aircraft first applying therefor more than eight months after the passage of this act, full particulars of the design and of the calculations upon which the design is based and of the materials and methods used in the construction; and (2) may in his discretion accept in whole or in part the reports of properly qualified persons employed by the manufacturers or owners of aircraft; and (3) may require the periodic examination of aircraft in service and reports upon such examination by officers or employees of the Department of Commerce or by properly qualified private persons. The Secretary may accept any such examination and report by such qualified persons in lieu of examination by the employees of the Department of Commerce. The qualifications of any person for the purposes of this section shall be demonstrated in a manner specified by and satisfactory to the Secretary. The Secretary may, from time to time, re-rate aircraft as to their airworthiness upon the basis of information obtained under this subdivision.

"(c) Provide for the periodic examination and rating of airmen serving in connection with aircraft of the United States as to their qualifications for such service.

"(d) Provide for the examination and rating of air navigation facilities available for the use of aircraft of the United States as to their suitability for such use.

"(e) Establish air traffic rules for the navigation, protection, and identification of aircraft, including rules as to safe altitudes of flight and rules for the prevention of collisions between vessels and aircraft.

"(f) Provide for the issuance and expiration, and for the suspension and revocation, of registration, aircraft, and airman certificates, and such other certificates as the Secretary of Commerce deems necessary in administering the functions vested in him under this act. Within 20 days after notice that application for any certificate is denied or that a certificate is suspended or revoked, the applicant or holder may file a written request with the Secretary of Commerce for a public hearing thereon. The Secretary upon receipt of the request shall forthwith (1) arrange for a public hearing to be held within 20 days after such receipt in such place as the Secretary deems most practicable and convenient in view of the place of residence of the applicant or holder and the place where evidence bearing on the cause for the denial, suspension, or revocation is most readily obtainable, and (2) give the applicant or holder at least 10 days' notice of the hearing, unless an earlier hearing is consented to by him. Notice under this subdivision may be served personally upon the applicant or holder or sent him by registered mail. The Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, may hold any such hearing and for the purposes thereof administer oaths, examine witnesses, and issue subpoenas for the attendance and testimony of witnesses, or the production of books, papers, documents, and other evidence, or the taking of depositions

before any designated individual competent to administer oaths. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary for decision in the matter to be rendered not later than 10 days after completion of the hearing. The decision of the Secretary, if in accordance with law, shall be final. The denial, suspension, or revocation shall be invalid unless opportunity for hearing is afforded, notice served or sent, and decision rendered within the respective times prescribed by this subdivision.

"Sec. 4. Airspace reservations.—The President is authorized to provide by Executive order for the setting apart and the protection of airspace reservations in the United States for national defense or other governmental purposes and, in addition, in the District of Columbia for public safety purposes. The several States may set apart and provide for the protection of necessary airspace reservations in addition to and not in conflict either with airspace reservations established by the President under this section or with any civil or military airway designated under the provisions of this act.

"Sec. 5. Aids to air navigation.—(a) Whenever at any time the Postmaster General and the Secretary of Commerce by joint order so direct, the airways under the jurisdiction and control of the Postmaster General, together with all emergency landing fields and other air-navigation facilities (except airports and terminal landing fields) used in connection therewith, shall be transferred to the jurisdiction and control of the Secretary of Commerce, and the established airports and terminal landing fields may be transferred to the jurisdiction and control of the municipalities concerned under arrangements subject to approval by the President. All unexpended balances of appropriations which are available for and which have been allotted for expenditure upon such airways, emergency landing fields, and other air navigation facilities, except airports and terminal landing fields, shall thereupon be available for expenditure under the direction of the Secretary of Commerce, in lieu of the Postmaster General, for the purposes for which such appropriations were made. No part of such unexpended balances of appropriations shall be used for the purchase or establishment of airports or terminal landing fields.

"(b) The Secretary of Commerce is authorized to designate and establish civil airways and, within the limits of available appropriations hereafter made by the Congress, (1) to establish, operate, and maintain along such airways all necessary air navigation facilities except airports; and (2) to chart such airways and arrange for publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the Government so far as practicable. The Secretary of Commerce shall grant no exclusive right for the use of any civil airway, airport, emergency landing field, or other air navigation facility under his jurisdiction.

"(c) Air navigation facilities owned or operated by the United States may be made available for public use under such conditions and to such extent as the head of the department or other independent establishment having jurisdiction thereof deems advisable and may by regulation prescribe.

"(d) The head of any Government department or other independent establishment having jurisdiction over any airport or emergency landing field owned or operated by the United States may provide for the sale to any aircraft fuel, oil, equipment, and supplies, and the furnishing to it of mechanical service, temporary shelter, and other assistance under such regulations as the head of the department or establishment may prescribe, but only if such action is by reason of an emergency necessary to the continuance of such aircraft on its course to the nearest airport operated by private enterprise. All such articles shall be sold and such assistance furnished at the fair market value prevailing locally as ascertained by the head of such department or establishment. All amounts received under this subdivision shall be covered into the Treasury; but that part of such amounts which, in the judgment of the head of the department or establishment, is equivalent to the cost of the fuel, oil, equipment, supplies, services, shelter, or other assistance so sold or furnished shall be credited to the appropriation from which such cost was paid, and the balance, if any, shall be credited to miscellaneous receipts.

"(e) Section 3 of the act entitled 'An act to increase the efficiency and reduce the expense of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture,' approved October 1, 1890, is amended by adding at the end thereof a new paragraph to read as follows:

"'Within the limits of the appropriations which may be made for such purpose, it shall be the duty of the Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, (a) to furnish such weather reports, forecasts, warn-

ings, and advices as may be required to promote the safety and efficiency of air navigation in the United States and above the high seas, particularly upon civil airways designated by the Secretary of Commerce under authority of law as routes suitable for air commerce, and (b) for such purposes to observe, measure, and investigate atmospheric phenomena, and establish meteorological offices and stations.

"(f) Nothing in this act shall be construed to prevent the Secretary of War from designating routes in the navigable air space as military airways and prescribing rules and regulations for the use thereof on routes which do not conform to civil airways established hereunder, or to prevent the Secretary of Commerce from designating any military airway as a civil airway, and when so designated it shall thereupon become a civil airway within the meaning of this act, and the Secretary of War is hereby authorized to continue the operation of air navigation facilities for any military airway so designated as a civil airway until such time as the Secretary of Commerce can provide for the operation of such facilities.

"Sec. 6. Foreign aircraft.—(a) The Congress hereby declares that the Government of the United States has, to the exclusion of all foreign nations, complete sovereignty of the air space over the lands and waters of the United States, including the Canal Zone. Aircraft a part of the armed forces of any foreign nation shall not be navigated in the United States, including the Canal Zone, except in accordance with an authorization granted by the Secretary of State.

"(b) Foreign aircraft not a part of the armed forces of the foreign nation shall be navigated in the United States only if authorized as hereinafter in this section provided; and if so authorized, such aircraft and airmen serving in connection therewith, shall be subject to the requirements of section 3, unless exempt under subdivision (c) of this section.

"(c) If a foreign nation grants a similar privilege in respect of aircraft of the United States, and/or airmen serving in connection therewith, the Secretary of Commerce may authorize aircraft registered under the law of the foreign nation and not a part of the armed forces thereof to be navigated in the United States, and may by regulation exempt such aircraft, and/or airmen serving in connection therewith, from the requirements of section 3, other than the air traffic rules; but no foreign aircraft shall engage in interstate or intrastate air commerce.

"Sec. 7. Application of existing laws relating to foreign commerce.—(a) The navigation and shipping laws of the United States, including any definition of 'vessel' or 'vehicle' found therein and including the rules for the prevention of collisions, shall not be construed to apply to seaplanes or other aircraft or to the navigation of vessels in relation to seaplanes or other aircraft.

"(b) The Secretary of the Treasury is authorized to (1) designate places in the United States as ports of entry for civil aircraft arriving in the United States from any place outside thereof and for merchandise carried on such aircraft, (2) detail to ports of entry for civil aircraft such officers and employees of the customs service as he may deem necessary, and to confer or impose upon any officer or employee of the United States stationed at any such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the customs service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the customs and public health laws to such extent and upon such conditions as he deems necessary.

"(c) The Secretary of Commerce is authorized by regulation to provide for the application to civil aircraft of the laws and regulations relating to the entry and clearance of vessels to such extent and upon such conditions as he deems necessary.

"(d) The Secretary of Labor is authorized to (1) designate any of the ports of entry for civil aircraft as ports of entry for aliens arriving by aircraft, (2) detail to such ports of entry such officers and employees of the Immigration Service as he may deem necessary, and to confer or impose upon any employee of the United States stationed at such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the Immigration Service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the immigration laws to such extent and upon such conditions as he deems necessary.

"Sec. 8. Additional Assistant Secretary of Commerce.—To aid the Secretary of Commerce in fostering air commerce and to perform such functions vested in the Secretary under this act as the Secretary may designate, there shall be an additional Assistant Secretary of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate and whose compensation shall be fixed in accordance with the classification act of 1923. Except as otherwise specifically provided, the Secretary of Commerce shall administer the provisions of this act and for such purpose is authorized (1) to make such regulations as are necessary to execute the functions vested in him by this act; (2) to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for law books, books of reference, and periodicals) as may be necessary for such administration and as may be provided for by the Congress from time to time; (3) to publish from time to time a bulletin setting forth such matters relating to the functions vested in him by this act as he deems advisable, including air navigation treaties, laws, and regulations and decisions thereunder; and (4) to operate, and for this purpose to acquire within the limits of the available appropriations hereafter made by the Congress, such aircraft and air navigation facilities, except airports, as are necessary for executing the functions vested in the Secretary of Commerce by this act.

"Sec. 9. Definitions.—As used in this act—

"(a) The term 'citizen of the United States' means (1) an individual who is a citizen of the United States or its possessions, or (2) a partnership of which each member is an individual who is a citizen of the United States or its possessions, or (3) a corporation or association created or organized in the United States or under the law of the United States or of any State, Territory, or possession thereof, of which the president and two-thirds or more of the board of directors or other managing officers thereof, as the case may be, are individuals who are citizens of the United States or its possessions and in which at least 51 per cent of the voting interest is controlled by persons who are citizens of the United States or its possessions.

"(b) The term 'United States,' when used in a geographical sense, means the territory comprising the several States, Territories, possessions, and the District of Columbia (including the territorial waters thereof), and the overlying air space; but shall not include the Canal Zone.

"(c) The term 'aircraft' means any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, except a parachute or other contrivance designed for such navigation but used primarily as safety equipment.

"(d) The term 'public aircraft' means an aircraft used exclusively in the governmental service.

"(e) The term 'civil aircraft' means any aircraft other than a public aircraft.

"(f) The term 'aircraft of the United States' means any aircraft registered under this act.

"(g) The term 'air port' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft and which provides facilities for shelter, supply, and repair of aircraft; or a place used regularly for receiving or discharging passengers or cargo by air.

"(h) The term 'emergency landing field' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft, is located along an airway, and is intermediate to air ports connected by the airway, but which is not equipped with facilities for shelter, supply, and repair of aircraft and is not used regularly for the receipt or discharge of passengers or cargo by air.

"(i) The term 'air navigation facility' includes any air port, emergency landing field, light or other signal structure, radio directional finding facility, radio or other electrical communication facility, and any other structure or facility, used as an aid to air navigation.

"(j) The term 'civil airway' means a route in the navigable air space designated by the Secretary of Commerce as a route suitable for interstate or foreign air commerce.

"(k) The term 'airman' means any individual (including the person in command and any pilot, mechanic, or member of the crew) who engages in the navigation of aircraft while under way, and any individual who is in charge of the inspection, overhauling, or repairing of aircraft.

"Sec. 10. Navigable air space.—As used in this act, the term 'navigable air space' means air space above the minimum safe altitudes of flight prescribed by the Secretary of Commerce under section 3, and such navigable air space shall be subject

to a public right of freedom of interstate and foreign air navigation in conformity with the requirements of this act.

"SEC. 11. Penalties.—(a) It shall be unlawful, except to the extent authorized or exempt under section 6—

"(1) To navigate any aircraft within any air space reservation otherwise than in conformity with the Executive orders regulating such reservation.

"(2) To navigate any aircraft (other than a foreign aircraft) in interstate or foreign air commerce unless such aircraft is registered as an aircraft of the United States or to navigate any foreign aircraft in the United States.

"(3) To navigate any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an aircraft certificate or in violation of the terms of any such certificate.

"(4) To serve as an airman in connection with any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an airman certificate or in violation of the terms of any such certificate.

"(5) To navigate any aircraft otherwise than in conformity with the air traffic rules.

"(b) Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7, or (2) any customs or public health regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penalty of \$500 which may be remitted or mitigated by the Secretary of Commerce, the Secretary of the Treasury, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact if the value in controversy exceeds \$20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States, shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States, and under its direction other courts of the United States, are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary shall give notice thereof to the United States attorney prosecuting the libel proceedings.

"(c) Any aircraft subject to a lien for any civil penalty imposed under this section may be summarily seized by and placed in the custody of such persons as the appropriate Secretary may by regulation prescribe and a report of the case thereupon transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Secretary of his failure so to act. The aircraft shall be released from such custody upon (1) payment of the penalty or so much thereof as is not remitted or mitigated, (2) seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings, or (3) deposit of a bond in such amount and with such sureties as the Secretary may prescribe, conditioned upon the payment of the penalty or so much thereof as is not remitted or mitigated.

"(d) Any person who fraudulently forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this act, or knowingly uses or attempts to use any such fraudulent certificate shall be guilty of an offense punishable by a fine not exceeding \$1,000 or by imprisonment not exceeding three years, or by both such fine and imprisonment.

"(e) Any person (1) who, with intent to interfere with air navigation in the navigable airspace or waters of the United States, exhibits within the United States any false light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal required by regulation under this act, or for a true light or signal in connection with an airport or other air navigation facility, or (2) who, after due warning from the Secretary of Commerce, continues to maintain any false light or signal, or (3) who knowingly removes, extinguishes, or interferes with the operation of any such true

light or signal, or (4) who without lawful authority knowingly exhibits any such true light or signal, shall be guilty of an offense punishable by a fine not exceeding \$5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

"(f) All penalties paid under this act, shall be covered into the Treasury as miscellaneous receipts.

"Sec. 12. Separability.—If any provision of this act is declared unconstitutional or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

"Sec. 13. Time of taking effect.—This act shall take effect upon its passage; except that no penalty shall be enforced for any violation thereof occurring within 90 days thereafter.

"Sec. 14. Short title.—This act may be cited as the 'air commerce act of 1926.'"

And the House agree to the same.

WESLEY L. JONES,

BERT M. FERNALD,

HIRAM BINGHAM,

DUNCAN U. FLETCHER,

JOSEPH E. RANDELL,

Managers on the part of the Senate.

JAMES S. PARKER,

JOHN G. COOPER,

SCHUYLER MERRITT,

SAM RAYBURN,

CLARENCE F. LEA,

Managers on the part of the House.

Mr. KING. Mr. President, will the Senator from Connecticut give us an explanation of the contents of the report?

Mr. BINGHAM. The report has already been printed in the RECORD twice. I shall be very glad to explain what the conference committee finally agreed upon.

In the first place the two principal differences between the bill as it passed the Senate and the bill as it passed the House were matters relating to State rights and State and Government ownership. The bill as it passed the House gave to the Secretary of Commerce the right to examine pilots and airplanes engaged in all sorts of flying, in interstate commerce, foreign commerce, intrastate commerce, and even in sport flying and flying for experimental purposes. The bill as it passed the Senate gave the Secretary of Commerce merely the right to examine pilots and planes and to restrict flying in interstate and foreign commerce.

The conferees have agreed upon a compromise. The House recedes from its position regarding the regulation of intrastate commerce and the regulation of sport flying and experimental flying.

The Senate agrees that all persons taking to the air must abide by the rules of the road in the air. It seemed reasonable to us that when the rules of the air should be set forth by the Secretary of Commerce all persons flying must abide by them, otherwise we should have constant interference with those flying in interstate commerce and more likelihood of accidents. Anyone may fly at any time within the boundaries of a State and take his life in his hands and fly anything which the State permits him to fly if he has a State license; but he must observe the rules of the air and he may not engage in interstate or foreign commerce without the permission of the Secretary of Commerce, as provided in the Senate bill.

For the promotion of air commerce there was very little difference between the two Houses except in this respect. The Senate did not provide for the ownership by the Federal Government for the use of private persons of commercial airports. The House in its bill provided for Government-owned airports. The conferees after a long discussion agreed that it was an unwise thing for the Federal Government to enter upon the ownership of airports, and that provision was stricken out. The Senate views in the matter were concurred in by the conferees. In future the aids to air navigation which may be provided by the Secretary of Commerce, whenever appropriations are available, are those air-navigation facilities such as radio facilities, lighthouses, airways, charts, and emergency landing fields.

The definition of an "emergency landing field" as prepared by the House was very unsatisfactory to the Senate, and the definition of "airport" was unsatisfactory. A new definition will be found in the bill and, as agreed to, meets the Senate's views. In other words, an airport as defined is what might correspond to a seaport, whereas an emergency landing field is what might correspond to a storm harbor where there is a Government breakwater and nothing else. In other words, the Federal Government under this bill may lease and regulate an

emergency landing field as it may operate a storm harbor with a breakwater, but the minute there is set up either a hangar for shelter purposes or a gas and oil station, or if it is used by any town in the vicinity for the regular taking on and landing of passengers and freight, it then ceases to become an emergency landing field and becomes an airport, and the Federal Government will keep its hands off of it in the future.

The object of the bill as now presented is to encourage municipalities to own their own airports and to permit the Secretary of Commerce to arrange for proper navigable airways.

So far as air-space reservations are concerned, the President is authorized to provide by Executive order for the setting apart and protection of air-space reservations for military, post office, or other purposes. The States may set apart and provide air-space reservations. The bill gives the States the right to say that no one shall fly low over a city or over a ball field or over a stadium within that State, and no one flying in interstate commerce may enter into that air-space reservation which the States set apart for themselves.

Mr. KING. Mr. President, may I make an inquiry of the Senator?

Mr. BINGHAM. Certainly.

Mr. KING. There is no interference with municipal or State regulation?

Mr. BINGHAM. None whatever.

Mr. KING. Even though those regulations might affect, directly or indirectly, interstate commerce flying or flying between States? For instance, the Senator just indicated municipal regulations with respect to the height at which aircraft must fly above the ground. Would any municipal regulation prescribed affect aircraft that flies between States, or would they be exempt from the operation of municipal regulations?

Mr. BINGHAM. A municipal regulation would not affect it, but the bill does say that the several States may set apart and provide for the protection of the necessary air-space reservations in addition to and not in conflict with the air-space reservations established by the President.

Mr. KING. Does the Senator think that the bill sufficiently protects the rights of the States from regulations which may be set up by the Federal authorities?

Mr. BINGHAM. I will say to the Senator that I believe the bill does give the States full rights with regard to intrastate commerce. The bill only regulates interstate and foreign commerce. The only penalties which apply to intrastate commerce or flying within the States are those concerned with the violation of rules of the road, which the Senator will recognize must be uniform all over the United States if we are to have safety in the air; but the bill does not attempt to dictate to the States who they shall permit to fly or what kind of planes they shall fly or anything in regard to the examination and certification of planes.

Mr. KING. I had in mind that municipal regulations and State regulations might be very important for the safety of the people, and in order to have full operation would regulate in part at least interstate flyers as well as intrastate. I was wondering if there was anything in the bill that would restrict the right of the States or municipalities to adopt regulations which they conceived necessary for the protection of the people, even though those regulations affected individuals who are flying from State to State. Suppose there is a regulation that no person shall operate a flying machine at an altitude less than 150 feet or 200 feet.

Mr. BINGHAM. Does the Senator refer to a State regulation?

Mr. KING. Yes; a State regulation applicable to all persons engaged in the operation of flying machines.

Mr. BINGHAM. The State now under the bill has the right to do so, and no one in interstate commerce could operate against that right.

Mr. KING. That is what I wanted to be sure of.

Mr. BINGHAM. The rights of the States have been protected in the bill.

Mr. KING. I was not sure that the Senator did not state that the rights of the States to prescribe regulations related only to machines the termini of whose operations were within the State.

Mr. JONES of Washington. Mr. President, I wonder if the Senator from Connecticut understood the Senator from Utah. As I understand, the Senator from Utah desires to ask whether machines flying in interstate commerce could be affected by State regulation. As I understand, they can not.

Mr. BINGHAM. They can not, but they can do this: The State can say that all air space, for instance, as the Senator from Utah mentioned, under 150 feet above the ground, is such

a reservation that no one may fly in that in interstate commerce.

Mr. JONES of Washington. No one may fly in that in interstate commerce?

Mr. BINGHAM. Yes. That reservation is made by the State for the protection of its own citizens.

Mr. SHORTRIDGE. Mr. President, may I ask if there is any limit to the rules or regulations which the States may make as to height of flying?

Mr. BINGHAM. The rights of the States are completely protected in regard to what they consider a safe height for a plane to fly in that State.

Mr. SHORTRIDGE. In other words, those engaged in interstate commerce must respect the rules and regulations made by the States?

Mr. BINGHAM. Yes.

Mr. SHORTRIDGE. And there is no limitation placed upon the right of the States in that respect?

Mr. BINGHAM. There is no limitation placed on the right of the States to regulate the height at which planes must fly.

Mr. SHORTRIDGE. It is conceivable that a given State might stop all interstate flying.

Mr. BINGHAM. Yes; if it should go crazy.

Mr. KING. In order that there will be no misunderstanding, I would like to give one other concrete example. Suppose a State should say that no machine shall fly over the city of Chicago or over the city of Springfield or over any other large city, neither intrastate nor interstate; that no machine shall be operated over a thickly populated district, which would seem to be a reasonable regulation in view of the fact that a machine did fall in Chicago, we remember, a few years ago, and killed a large number of people. Would any person operating a machine in interstate commerce be permitted under this bill to violate that reasonable State regulation?

Mr. BINGHAM. No. The rights of the States are protected, giving them the privilege of adopting air-space reservations, provided they do not conflict with the air-space reservations as directed by the President.

The House had a provision whereby the Postmaster General and the Secretary of Commerce by joint order might direct that the facilities of the postal air mail should be handed over to the Secretary of Commerce. The Senate conferees felt that it was dangerous to grant to the Secretary of Commerce the air ports of the air mail, because that would bring the air ports under the ownership and direction of the Federal Government, and it was not our intention that any air ports should be operated by the Federal Government. The committee thought that would leave the door wide open to thousands of cities desiring to have air ports provided by the Federal Government. The Federal Government has never provided seaports, but only facilities in between seaports. Consequently the House withdrew from its desire so far as air ports are concerned, but at any time the two Secretaries—that is, the Postmaster General and the Secretary of Commerce—may jointly decide that the airway between the air ports may be turned over to the Secretary of Commerce to be operated as an airway for the public weal.

In regard to the operation of aircraft, there is no particular change except a specification accepted on the part of the Senate that foreign planes may not be engaged in either interstate or intrastate commerce. In other words, a plane flying from Mexico City to Dallas, Tex., and stopping at San Antonio, may not pick up passengers and freight at San Antonio and carry them on to Dallas, Tex., even though that is not interstate commerce.

The House had more provisions with regard to the administration of ports of entry than the Senate put in, but they are all the usual provisions applying to navigation and were not objected to, but were accepted by the Senate conferees.

With regard to definitions, the only important change, which I have already mentioned, is the definition of air port and emergency landing field. At the suggestion of certain very distinguished gentlemen, including Mr. Orville Wright, a definition was put in including the words "not used regularly for the receipt or discharge of passengers or cargo by air." The committee felt, for reasons which I previously explained, that it was very wise to discourage in every possible way the municipalities from annexing a Government-owned emergency landing field and saying, "We will not have our own air port; we will just use that field."

In regard to penalties, the House bill had criminal penalties for the violation of provisions relating to the air. The Senate had civil penalties only, and the House conferees withdrew so far as regulations were concerned, and agreed that for breaking the regulations with regard to examinations, with

regard to navigation and the rules of flying and serving with certificates, the penalty should merely be a civil penalty of not more than \$500. The same rules that now apply in the navigation laws apply with regard to mitigating those penalties.

With regard to flying with a certificate which is counterfeit, a new idea so far as the Senate bill was concerned, the conferees agreed that the penalty for using a counterfeit certificate should not be as severe as that provided in the House bill, which was a \$5,000 fine, but instead be one which is similar to that now in use where the master of a vessel using a certificate counterfeited for himself or his vessel; in other words, the fine is reduced to \$1,000.

The penalties for using false lights, and so forth, are the same as in the Senate bill.

The law is to take effect upon its passage, but no penalty shall be enforced for any violation thereunder occurring within 90 days thereafter.

The two principal differences between the bills were regarding regulation of intrastate commerce, from which the House receded, and with regard to the Government ownership of airports, from which the House receded.

Mr. KING. Does the bill surround the obtaining of a license with so many difficulties that it would be almost impossible to get a license?

Mr. BINGHAM. On the contrary, the bill will be found to be the most liberal bill with regard to civil aviation possessed by any country. It is not necessary for a pilot to come to Washington. A provision has been inserted whereby the Secretary of Commerce, when he satisfies himself of the qualifications of a private individual for the giving of an examination or for the examination of a plane, may, if he chooses, permit that private individual to make an examination of a plane and an examination of a person, and until such time as he finds that the private individual is improperly exercising that right he may grant that right to the private individual.

Another interesting provision has been adopted. The Senator will realize that, although a plane may be certified to as being airworthy, if it makes a rough landing on the next day it might not be airworthy the day after, and yet in ocean navigation a certificate of seaworthiness would last easily for six months or a year. The committee felt that it was advisable to give the Secretary of Commerce the privilege of making frequent examinations, and also the privilege of requiring those engaged in air commerce to have daily inspections and to submit reports from time to time to him so that he might keep track of the daily condition of the planes. Furthermore, in order that no one now having a plane might be deprived of the privilege of having it examined, without having it thrown out, the committee provided that for the first eight months after the bill goes into effect the Secretary may license such a plane without having a complete set of drawings and the design according to which it was built. In the future, however, in order to avoid the necessity of examining the inside of the plane, the design of the plane may be submitted to him before the plane shall be actually built, and if the design is approved the plane may then be certified without that kind of an examination which would cause a great deal of delay.

Furthermore, in England, as the Senator knows, the business of individual flying has been greatly retarded by the very high cost of the fees charged. Although England has certain regular airplanes operating between London and the continent and has a greater transportation business in the way of the regular carriage of passengers and freight than has hitherto been seen in this country, except in connection with the air mail, the English have charged a high fee and have provided a very severe type of examination for those engaged in private flying, with the result that there are very few airplanes engaged in private flying in England at the present time. This bill does not charge a fee for that purpose; in fact, it does not require an examination of the person engaged in private flying for pleasure or for experimental purposes.

Mr. NORRIS. Mr. President, I have been very much interested in the explanation which the Senator from Connecticut has given of the conference report. It seems to me, considering that we are entering upon a new field, the committee is entitled to a great deal of credit for what it has done, and I feel like congratulating its members.

At the same time the Senator from Connecticut has told us of one provision that involves a very serious matter and deserves careful consideration before we agree to the conference report. I understand the conference report provides for municipal ownership of airports. Am I right in that?

Mr. BINGHAM. The Senator from Nebraska misunderstood the Senator from Connecticut. The conference report does

not provide for municipal ownership of airports, but it encourages it by not providing for Federal ownership.

Mr. NORRIS. That is worse yet, Mr. President. It encourages municipal ownership, the Senator says. This is a new method of transportation. If we are going to encourage municipalities to own airports the next thing we know we shall be encouraging them to own the entire system of transportation, including their street railways, their electric-light plants, and so forth. In other words, we are driving our municipalities toward socialism, to public ownership of public utilities. I am dumfounded that the great Senator from Connecticut should get behind a proposition of this kind.

Mr. BINGHAM. The Senator from Connecticut would like to say to the Senator from Nebraska that it has been the custom from time immemorial for municipalities to control their own seaports, and this is merely in the line of immemorial custom.

Mr. NORRIS. There has not been any immemorial custom about a municipality owning an airport. Mr. President, I am still a young man, and yet I can remember when the airplane was invented. I saw the first one of them fly.

Mr. BORAH. It did not fly.

Mr. NORRIS. Yes; it flew quite a distance. I have seen the airplane developed. Now, with this new method of transportation which is likely to, and some people think will, revolutionize the existing methods of transportation, we find a committee of the Senate urging municipalities to own their own airports or landing places. Are we going to interfere with private ownership of those things? Suppose I want to go up into Connecticut and acquire, own, and operate a landing place for flying machines. I will be confronted at once with an act of Congress, sponsored by the great Senator from Connecticut, under which the United States may put me out of business, an act of Congress which urges the municipalities to own such landing places and seeks to keep me from owning and operating one.

Mr. BINGHAM. Will the Senator from Nebraska be so good as to point out anything in the conference report which would discourage a private citizen from owning an airport?

Mr. NORRIS. I have not read the report, of course; I am taking the Senator's word for it; but the Senator has said here in the presence of this august body that the bill not only permits municipal ownership of landing places, of airports, but that it encourages it.

Mr. BINGHAM. The Senator from Connecticut should have said that the bill as agreed to in conference encourages municipal and private ownership of airports.

Mr. NORRIS. That relieves me a great deal. If there is some provision in it that will assist private ownership it will remove a great deal of the odium that I feared would have attached to the bill.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

JURISDICTION OVER CONDUIT ROAD IN THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 10896) to provide for transfer of jurisdiction over the Conduit Road, District of Columbia, which was read twice by its title.

Mr. JONES of Washington. Mr. President, the Senate on the last evening when the calendar was under consideration passed a bill identical with the House bill which has just been laid down. The House, however, passed its own bill. As the two measures are identical, I ask unanimous consent that the House bill may be put upon its passage at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That jurisdiction and control over the Conduit Road for its full width in the District of Columbia between Foxhall Road and the District line, excepting a strip 19 feet wide within the lines of said road, the center of which is coincident with the center of the water supply conduit, is hereby transferred from the Secretary of War to the Commissioners of the District of Columbia, and property abutting thereon shall be subject to any and all lawful assessments which may be levied by the said commissioners for public improvements, the same as other private property in the District of Columbia: Provided, That all municipal laws and regulations shall apply to the entire width of the said road in the District of Columbia in the same degree that they apply to other streets and highways in the said District.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXHIBITION DANCE OF HOPI INDIANS

Mr. CAMERON. Mr. President, I desire to announce for the benefit of my friends and colleagues who may be interested that on Saturday morning at 11 o'clock a band of selected Hopi Indians from the Arizona Reservation, who are en route to the sesquicentennial celebration in Philadelphia, will give an exhibition snake dance in front of the Capitol, and, on behalf of the Indians, El Zaribah Temple of the Mystic Shrine, of Phoenix, and the State of Arizona, I extend an invitation to everyone to witness this unusual Indian dance.

It is unnecessary to go into details, for most of the Senators are somewhat familiar with the history of this dance. The Hopi Indians are one of the primitive, yet one of the most wonderful, tribes of Indians on the American Continent. This well-known snake dance has been attended on the native reservation in Arizona by people from all over the world. It portrays a solemn religious ritual of the tribe itself, who seek by this demonstration before the Congress of the United States and the public to show its sincerity and religious character and thus allay what they deem the unfair effort on the part of some people to deprive them of the right to conduct this religious ceremony.

This in no way is a commercial proposition, and I trust that all will be present.

LANDS IN MICHIGAN FOR PARK PURPOSES

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. STANFIELD. Mr. President, I move that Senate bill 786, relative to the retirement of civil-service employees, be made the unfinished business, and that the Senate proceed to the consideration thereof at this time.

Mr. NORRIS. Mr. President, I make the point of order against the motion that it is an impossibility under the rules of the Senate to make any measure the unfinished business by that kind of a proceeding.

The PRESIDENT pro tempore. It can not be made the unfinished business in the form in which the motion has been stated.

Mr. STANFIELD. I move that the Senate proceed to the consideration of Senate bill 786.

The PRESIDENT pro tempore. Will the Senator please permit the Senate to dispose of the message from the House of Representatives which has just been laid down in regard to the action of the House on the amendments of the Senate to House bill 7482? The Chair will state that the message from the House relates to a measure in which, he thinks, the Senator from Oregon is interested. The clerk will again read the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes.

Mr. STANFIELD. I move that the Senate recede from its amendments.

The motion was agreed to.

MIGRATORY-BIRD REFUGES

Mr. NORBECK. Mr. President—

The PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. NORBECK. I move now that the Senate proceed to the consideration of Senate bill 2607, known as the migratory bird bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. KING. Mr. President, a parliamentary inquiry. The motion is debatable, I assume.

The PRESIDENT pro tempore. It is.

Mr. DILL. Mr. President, as I understand, the so-called migratory bird bill provides for a sanctuary for birds in which private citizens are to be given licenses to shoot birds.

Mr. NORBECK. I do not think that is exactly a fair statement. If the Senator will permit me, I will try to explain it a little better than that. The bill provides—

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. NORBECK. Yes.

Mr. KING. While the Senator is explaining the bill, I wish he would explain whether or not it provides that in order to shoot, one must procure a Federal license; that if he violates any of the multitudinous rules and regulations under the treaty that was entered into with Great Britain and Canada, he is liable to indictment by a Federal grand jury and to be dragged

hundreds of miles away from home to be tried; also, that if one violates any of the rules and regulations set up by the Biological Survey of the Agricultural Department, he is also liable to be dragged hundreds of miles away from home and indicted by a grand jury and put on trial in a Federal court. Will the Senator please explain if this bill does not contain those very salutary provisions?

Mr. NORBECK. Permit me to ask the Senator from Utah whether the present law so provides?

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I yield to the Senator from Idaho.

Mr. BORAH. I was going to ask whether this bill has been taken up for consideration.

The PRESIDENT pro tempore. A motion has been made to that effect.

Mr. NORBECK. A motion is pending to that effect.

Mr. BORAH. Is the Senator who made the motion going to debate the motion?

The PRESIDENT pro tempore. The motion is debatable; and the Chair supposes that any Senator who desires to do so may debate it.

Mr. NORBECK. The debate has started on it. There was no chance to make any explanation of the bill at all.

Mr. DILL and Mr. WILLIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I yield first to the Senator from Washington, if he desires to make just a brief remark.

Mr. DILL. Mr. President, I want to say that if this bill were simply a bill to provide a sanctuary for birds I should be most heartily in favor of it, and I think the Congress ought to pass it; but when it is a bill that provides a sanctuary for birds, and then provides that the Federal Government shall license men to go out and shoot those birds in certain parts of it—and naturally the men who will get such licenses and do that shooting are men who live near the area of this migratory-bird reserve—

Mr. NORBECK. The men who live in Chicago and New York have private shooting clubs, so they will be taken care of otherwise.

Mr. DILL. There are a good many people who live in other sections of the country besides Chicago and New York; and I do not see why the Federal Government should provide a shooting ground for people who live in those sections, even if they do not have any other shooting ground.

This bill has not passed the House. There is other legislation pending here that is, in effect, emergency legislation. The Senator from Oregon [Mr. STANFIELD] has a retirement bill that is very important. There is a radio bill pending here that is extremely important. If this session of Congress adjourns without enacting radio legislation the whole radio situation may become topsy-turvy. The United States District Court of Chicago has decided that the Government can not prosecute a man or a company who seizes a wave length and uses it in defiance of the Government, because the law passed in 1912 is ambiguous. It was not passed for the purpose of covering radio broadcasting, but for wireless telegraphy.

The radio industry has grown in this country until it involves hundreds of millions of dollars. The annual sale of radio sets now runs into hundreds of millions of dollars. Literally millions of our people are dependent upon radio for their education and their entertainment and their amusement. It has become a great cultural force in this country. The House has already passed a bill on this subject, and the Senate bill that has been reported here varies from the House bill rather widely. Unless this bill is taken up and passed by the Senate within a reasonable time before adjournment, there is no hope of a conference report being agreed to before the session adjourns.

Mr. NORBECK. Let me suggest that there is no constitutional time fixed for adjournment. There will be plenty of time to take care of these measures.

Mr. DILL. The Senator knows that after the farm legislation is disposed of there is not going to be very much more done at this session of Congress. Congress is going to adjourn and go home about that time. So I say it seems to me that with these other measures pressing we could well take up some other bill than the migratory bird bill. It is not pressing, and it is especially not pressing that the Government should supply shooting grounds for people who live in that section of the country where this migratory-bird area is to be established.

Mr. MAYFIELD and Mr. WILLIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I decline to yield further just now. I will yield to the Senator from Ohio in just a minute.

This bill is a conservation measure. The purpose of it is to establish bird refuges where the migratory birds may rest, may hatch their young, and may raise them. Nothing would please me better than to provide for no shooting whatever in the migratory-bird areas; but we have tried that, and we can not get an appropriation to enforce it. Therefore, this other plan has been adopted of requiring a Federal license to be taken out by everybody who shoots, whether he shoots in the reserve or not, and to permit a limited amount of shooting in the reserve, such as the Department of Agriculture will authorize.

It is true that the bill does provide a Federal license fee of \$1 for those who shoot migratory birds; but it will also keep the migratory birds from becoming extinct. It is an important measure in that respect.

Mr. MAYFIELD. Mr. President, will the Senator yield?

Mr. NORBECK. Yes.

Mr. MAYFIELD. Can the Senator state how much money would be collected by the Federal Government under this bill from the license fees and how many game wardens would be appointed to carry out the provisions of the bill?

Mr. NORBECK. In reply to the distinguished Senator from Texas I will say that it is impossible to answer that question definitely, because no one knows how many Federal game licenses will be taken out; but no doubt there would be a large sum, possibly a million dollars. The law provides that 60 per cent of the money so received shall be used for acquiring these bird refuges and that not more than 40 per cent of it shall be used for the enforcement of the law.

Mr. OVERMAN. Mr. President, who will take the title to the refuges?

Mr. NORBECK. The Federal Government; and the bill provides that the Attorney General of the United States must pass on the title.

Mr. OVERMAN. Is there anything in the bill that provides that the Government shall buy land for the purpose of establishing a bird reserve?

Mr. NORBECK. Yes. The purpose is to buy bird reserves wherever possible.

Mr. OVERMAN. Has the Senator investigated the question of whether the Government can buy land for other than governmental purposes?

Mr. NORBECK. Yes; and this bill passed the Senate two years ago in almost exactly the same form. It passed the House during the last session. We were unable to get it to a vote here at that time. Then, just as now, each Senator felt that his own bill was the most important, and we have spent enough time talking about which bills are the most important to have passed some legislation.

I now yield to the Senator from Ohio.

Mr. WILLIS. Mr. President, I simply wanted to ask a question of the Senator. I am not interposing any objection to his suggestion. I shall be glad to vote to take up his bill, but I wanted to ask him about another matter, recalling that he is the distinguished chairman of the Committee on Pensions.

I have before me a calendar of the Senate, on which there is a large number of special pension bills—omnibus bills, they are called—including perhaps three or four thousand claims for the relief of Civil War veterans and their widows. Also, there has been a general understanding that before adjournment there would be action upon a general pension bill for those claimants. I desire to know of the Senator what plans he is making in that respect. It is a proper subject to be considered, I think, as we are determining what is to be taken up.

Mr. NORBECK. Replying to the Senator from Ohio, I will state that I appreciate his sincere interest in pension legislation. I assure him that the members of the committee of which I am the chairman are deeply concerned about it also. I may add that there has been more progress on pension legislation at this session than at any other session since I came here five years ago.

The veterans of the country have been clamoring for some relief in their old age, but our legislation has been caught in a jam here and has failed to become law. It is true that the Senate committee have maintained an attitude that has been very popular with the veterans by asking for a whole lot and getting nothing. The committee this time were of the opinion that we should take the thing more seriously and try to get what we could get. The result was that the Senate committee took the Spanish War bill as it came from the House and cut out certain features, leaving the marriage date of widows as it was before, so that those who got married after the bill was introduced and should become widows would not be the bene-

ficiaries of the law, but every woman married within 30 years after the close of the war is eligible to pension under the bill as it passed. The Senate committee cut out the retroactive features of the bill and got it in a much more conservative shape than the House had it, and I am pleased to note that the amendments were concurred in by the House, and the bill has been signed by the President.

The Senator will also recall that we have had a large number of omnibus bills here on the calendar for a long time.

Mr. WARREN. Mr. President, if the Senator will allow me to interrupt him, has not the committee arranging the order in which bills shall be taken up on the floor marked out a place for the pending pension bills which will insure their consideration very soon?

Mr. NORBECK. Exactly so. I am getting to that. I have made several efforts to bring up the omnibus bills, and no doubt 90 per cent of the Senate are in favor of them, but one or two Senators have always objected to their being taken up on the calendar, and we have not been able to get to them. The Republican steering committee, however, in working out their problems, have provided a place for pension legislation, including all the bills that are pending or that may be brought in in the meantime, and I assure the Senator from Ohio that there is not any danger of this session of Congress adjourning without considering pension legislation seriously.

Mr. WILLIS. I thank the Senator.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORBECK. I yield.

Mr. KING. May I say to the Senators from South Dakota and Ohio that a few years ago the Senate Committee on Pensions reported a bill increasing the pensions of all Civil War veterans to \$50 per month, regardless of age, condition, financial or otherwise, or whether suffering from any disabilities or not. The measure was a pure service pension bill. Of course, there were many old soldiers who were receiving pensions for injuries or disabilities who were receiving larger amounts. It was stated during the consideration of the bill by representatives of the old soldiers and their organization that if it became a law no further requests would be made for general legislation.

Mr. WILLIS. May I ask the Senator who made that statement?

Mr. KING. It was made by a number of the representatives of old soldiers who appeared before the committee, and substantially the same statement was made by the Senator who had charge of the measure on the floor of the Senate.

Mr. NORBECK. May I ask what Senator made it?

Mr. KING. Senator McCumber. I was a member of the Pension Committee at the time, and I recall that such representations were made. I do not mean to say that that is an estoppel, because nothing can estop or will estop the Senate of the United States—and, of course, I would not speak of the other body, because that would be unparliamentary—from granting pensions and bounties and subsidies for various purposes as long as there is a dollar in the Treasury or an opportunity to float Government bonds. We will continue to pass pensions and benefices and subsidies until there will be a deficit or an increase in the burdens of taxation. So there need not be the slightest concern, may I say to my friend from Ohio, about pensions. He need have no anxiety or concern about any bill that will take money out of the Treasury of the United States. It is the view of many that there should be no money in the Treasury. Congress will take it all if it can; we will go to the bottom, and then we issue bonds. If there is any extravagant body on earth, it is the Senate of the United States; and if there is any legislative body in the world that makes louder professions of economy and exercises less judgment in the matter of many appropriations it is the Senate of the United States.

Of course, I do not include the able Senator from Ohio. His great interest in this matter evidences his desire to pursue a course of economy, and no one can say that the approach of the senatorial election in Ohio has anything to do with it—of course not. The Senate is not interested in the coming election; it is wholly disinterested in the legislation considered; and appropriations and professed relief for farmers and magnificent gestures made from time to time in behalf of the agricultural interests are not superinduced by the approach of the next election. It is purely statesmanship, disinterestedness upon the part of Senators.

Now, one observation which I may make with respect to the bill before us:

A question was propounded by the Senator from Texas [Mr. MAYFIELD] to the Senator from South Dakota with regard to the amount of license fees that will be obtained under this bill. I have heard various statements as to the amount; some that

the minimum will be \$1,000,000 and that the maximum will be \$5,000,000. Let us assume that it is \$1,000,000; that will mean that \$400,000 will go for the salaries and expenses of Federal employees.

Mr. NORBECK. Not to exceed that.

Mr. KING. Not to exceed that; but that means when Congress says not to exceed 40 per cent that the employees of the Government will take 40 per cent. Not to exceed 60 per cent, it is alleged, shall be available for the purchase of lands.

Mr. CARAWAY. Mr. President, may I suggest, though, that nobody pays a cent unless he wants to. There is no compulsion upon him to pay.

Mr. KING. Of course, no one is required to take out a license, but I have no doubt that hundreds of thousands of persons will obtain Federal licenses, and I have no doubt that some who obtain licenses will at some time infract some of the provisions of the numerous rules and regulations promulgated by the bureaucrats of the Agricultural Department, and run the risk of being taken hundreds of miles from home, indicted by a Federal grand jury, and tried in a Federal court.

Mr. NORBECK. Mr. President, the Senator has not yet answered the question which I propounded to him a while ago, and that is whether the present migratory bird treaty does not also take the violator into the Federal court in the same way?

Mr. KING. Undoubtedly the present law—but I shall not trespass upon the Senator's time to discuss it now—does contain penal provisions and does provide for the trial of persons violating the provisions of the law in Federal courts.

Mr. NORBECK. Then the Senator's objection is against the present law and not against the proposed law.

Mr. KING. The bill the Senator is proposing now is a different bill from the measure which is upon the statute books. Otherwise the Senator would not be asking for its passage. If he is satisfied with the existing law, then why is he proposing a new law?

Mr. CARAWAY. Mr. President, I suggest to the Senator that the only thing this bill does is to prevent one from taking migratory birds and destroying their nests and their eggs. It provides people may hunt birds of that kind, provided they pay the insignificant sum of \$1. They can hunt on their own land or the lands they rent or lease, or upon which they reside, without paying a cent.

Mr. NORBECK. And a farmer may hunt on his own land without a license. Children up to 16 years of age require no license.

Mr. ASHURST. Mr. President, will the Senator yield to me? Mr. NORBECK. I yield.

Mr. ASHURST. It is obvious that within a fortnight or three weeks Congress will adjourn. I am willing to assert such as a prophecy or as a belief as to what is going to happen.

Mr. NORBECK. We have all made those prophecies every summer and found that we were mistaken. We have always stayed longer than we said we were going to.

Mr. ASHURST. Be that as it may, on the 27th of April last I called attention to the fact that there were two bills for the relief of ex-service men that ought to be considered, and I spoke in part as follows on that date:

Obviously we are approaching a time when Members are thinking of adjournment; but I shall oppose an adjournment, and I hope to enlist the support of other Senators in opposing any adjournment, unless and until legislation is passed granting the needed relief demanded by the veterans of the World War.

At that time I placed in the RECORD, as appears on pages 8284 et sequitur, the reports from the House committees showing the need of such legislation. I will not now trespass upon the time and courtesy of the Senator who yielded to me by recounting all the features of those reports, but I do ask Senators to examine the RECORD of that day and see how important those bills are.

Mr. NORBECK. Mr. President, I know of no Senator who differs in that respect from the Senator from Arizona. Therefore, when the turn of each of those bills comes it will get favorable consideration.

Mr. ASHURST. Their turn will never come unless some one places driving force behind the bills and brings them to a turn. No matter how virtuous a bill, it is naturally inherent in legislative procedure for such bills to be lost unless they are pressed—

Mr. SMOOT. Mr. President, I want to call the Senator's attention to the fact that one of the bills referred to has already passed the Senate.

Mr. ASHURST. Yes; the bill was for the conversion of insurance, but I now refer to the Watson bill and to the Reed

bill. Will the Senator from Utah, who is chairman of the Committee on Finance, advise as to the status of those bills?

Mr. SMOOT. If I am not mistaken, the Reed bill passed the Senate.

Mr. ASHURST. That was the bill for the conversion of insurance, but is not what I am now referring to.

Mr. SMOOT. As far as the other bills are concerned, the committee will meet Monday at 10.30, and the question of the reporting of further bills from the committee will be discussed at that meeting.

Mr. ASHURST. I have faith in the Finance Committee. I think the members of that committee are as zealous in behalf of bills for ex-service men as is any other Senator. I availed myself of the privilege on the 27th of April last to call attention to these soldier relief bills. One is Senate bill 3694, introduced by the Senator from Pennsylvania [Mr. REED], and the other is Senate bill 3695, introduced by the Senator from Indiana [Mr. WATSON].

They are meritorious measures in behalf of ex-service men. They have been reported favorably by the House committee, and they should be passed before Congress adjourns for this session.

I have received scores of letters in behalf of the bird bill and I have no doubt it will pass. It is suggested by a Senator sitting near me that I should not admit that it is a meritorious bill. It may be meritorious, but I doubt if it has such transcendent merit as to place it ahead of soldier-relief legislation.

Mr. BRATTON. Mr. President, I want to supplement what the senior Senator from Arizona has said, not in criticism or as voicing any objection to the immediate consideration of the bill sought to be called up by the Senator from South Dakota, but I attach such importance to the two bills to which the Senator from Arizona has referred that I think they merit the attention of the Finance Committee and should be passed before this session of Congress adjourns.

We are drawing near the close of the session, but I doubt if this session of Congress owes any greater duty to any one person than it does to the ex-service men. I think these measures carry with them such weight and such force as to entitle them and the beneficiaries under them to the early, the serious, and the full consideration of this and the other branch of the Congress.

Mr. SHIPSTEAD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. BRATTON. I yield.

Mr. SHIPSTEAD. Does the Senator know whether the steering committee has considered placing these bills on the program at this session?

Mr. BRATTON. I do not. That is one thing I had in mind in rising at this time.

Mr. CURTIS. Mr. President, the steering committee can not consider what bills will be taken up until the bills are reported and are on the calendar. The steering committee can not go to a committee and say, "You have to report out this bill." After bills get upon the calendar the steering committee is ready to act upon any bill in which any Senator is interested, if he will appear before it.

Mr. BRATTON. Mr. President, that makes it more important than ever that the Finance Committee give early attention to those bills in order that the steering committee may in turn give its attention to them.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. SMOOT. The bill for veterans' relief to which I referred a while ago, which was reported from the Finance Committee, did not even go on the calendar. Unanimous consent was asked, and it was passed without a word of explanation, without a word in favor of it or a word against it.

Mr. ASHURST. Mr. President, the Senator refers to the bill that was reported by the Senator from Pennsylvania [Mr. REED] the other day?

Mr. SMOOT. I do.

Mr. ASHURST. I know the Senator wishes to be accurate, and he is usually accurate, but the Senator from Pennsylvania made an explanation of the bill.

Mr. SMOOT. He made an explanation of an amendment, which took him just about half a minute. There was an amendment to the bill, and that amendment was explained by the Senator from Pennsylvania, but an explanation of the provisions of the bill would have taken quite a while. The Senator will remember that it did not take more than three minutes to pass the bill.

Mr. REED of Missouri. That is a sad commentary upon the Senate. If we are passing bills that way, we ought to be disbanded.

Mr. ASHURST. Mr. President, with the permission of the Senator from New Mexico, let me say that I was here when that bill for conversion of insurance was passed, and not arrogating to myself any superior information, I knew the substance of the bill, and I uttered a word of gratification when the bill passed. I do not want the Senate to be accused of passing a bill and not having known at the time what the bill was.

Mr. BRATTON. Mr. President, it is not my purpose to criticize either the Finance Committee or the steering committee of the majority party, but I do say that I think the responsibility rests upon the majority party to see that these two bills are considered, and are brought before the Senate in the regular way, and that we are given an opportunity to pass upon their merits. I appeal to the majority party, which is in control of the machinery here, to see that that is done before talk of adjournment seriously goes the rounds.

As to whether the bill is given a place on the program of the steering committee or whether it comes direct from the Finance Committee, or what the detailed procedure is, is a matter of inconsequential importance here. The important thing is to give these two bills a chance to pass upon their merits instead of letting them die in the committee or through failure to get them on the steering committee's program. It is for that that I appeal in behalf of these two measures, and I, for one, shall oppose any proposal for final adjournment until I exhaust my efforts in that respect.

Mr. CURTIS. Mr. President, a day or two ago a unanimous-consent agreement was entered into for a night session tomorrow night for the consideration of unobjected bills on the calendar. I am told there is to be a meeting in Virginia that will call away a number of Senators, and there are other meetings in which Senators are interested, and I have been asked to request unanimous consent to vacate that order. I want to state that if that is done, I shall ask for a night session early next week for the consideration of the calendar.

Therefore I ask unanimous consent to vacate the order for the meeting tomorrow night.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request propounded by the Senator from Kansas?

Mr. LA FOLLETTE. Mr. President, I shall not object if the Senator from Kansas can assure us that we shall have a night early next week for the calendar.

Mr. CURTIS. I am satisfied, I will say to the Senator from Wisconsin, that no one will object to the setting aside of a night early next week for the consideration of the calendar, and I shall make the request early in the week.

The PRESIDENT pro tempore. Is there objection to vacating the order for a session tomorrow evening? The Chair hears none, and it is so ordered.

Mr. REED of Missouri. Mr. President, before the Senate concludes to set aside the really important business of the Senate to take up this migratory bird bill, I think it might as well be understood that the passage of the bill is going to be resisted. It is not going to be a unanimous-consent bill by any manner of means.

I think this is a piece of very vicious and wholly uncalled-for legislation.

Mr. NORBECK. Mr. President, may I ask the Senator a question?

Mr. REED of Missouri. Yes.

Mr. NORBECK. The Senator has the same view regarding the migratory bird treaty also, that it is a vicious instrument, has he not?

Mr. REED of Missouri. I think it was a very bad piece of business. But what has that to do with the vice of this particular bill? The Senator might as well have asked me what was my opinion of the fall of Sodom and Gomorrah. It would have been equally pertinent.

Mr. NORBECK. I wanted the Senate to know that this was not anything new, but that the Senator's attitude toward all Federal legislation for the protection of wild game has always been the same.

Mr. REED of Missouri. It has not been the same on this bill, because this atrocity has just been brought out. It is very true that I opposed the enactment of a Federal law to regulate game. I opposed it on the ground that it was unconstitutional legislation. I opposed it so successfully on that ground that finally its proponents concluded that they had in some way to bolster it up and try to make it constitutional. Accordingly they waited until the treaty between the United States and Great Britain had been signed, and then they brought the legislation forward as in aid of a treaty and in that way secured a declaration that the bill was constitutional. With all the respect in the world to the Supreme Court, that

decision contains some language that is at war with practically all the other decisions ever rendered by that great tribunal. So that as a matter of fact it is now established, at least until the matter comes before the Supreme Court again, that Congress has the power to regulate bird life. But that does not mean that the pending bill ought to be enacted into law by any manner of means. A power to do a thing does not imply at all that it ought to be done, for the power to do is the power also not to do or to use a little common sense in doing a particular thing.

Mr. President, the whole trend of modern legislation is to concentrate power here in Washington, to create a lot of spies, regulators, and other varieties of human scum, and to turn them loose on the people of the United States. We have undertaken to regulate everything from the birth of babies to the creation of international tribunals, and a lot of Senators sought to surrender the sovereignty of the United States to those international tribunals. Every time the people have had a chance to speak on it they have been engaged in the delectable experience of retiring certain of the proponents of those measures to private life.

We stand here and constantly talk about stopping the business of centralization, and the first time any individual can conceive of some new patent remedy for human ills he totes it down here to Washington, and we proceed immediately to give it the sanction of a statute. This measure ought to be entitled "A bill to raise a large sum of money annually to hire some additional Government sneaks and to interfere with the rights and privileges of the States to regulate their own business and their own affairs." There are a lot of men who do a great deal of talking about protecting game. What business does the Government have with the question of the killing of a wild duck that was hatched in Kansas and raised on a Kansas farm and killed by a Kansas boy? Under what clause of the Constitution did it get any right to say that a jay bird that picks up a grubworm in the State of Kansas and flies across to the State of Missouri and swallows the worm is engaged in interstate commerce? [Laughter.] It is just about as idiotic as it was to say that commerce between the sexes perpetrated in a certain State is commerce between States because they crossed the State line.

Of course, the Supreme Court takes back all these doctrines when it is confronted by an important proposition. It is said that if a man and a woman crossed the State line on a street car and go into a State and do something wrong they should be punished because they were violating interstate commerce; but when Congress enacts a statute that provides that if some employers hired little children to make goods in a State, made for the purpose of being shipped into another State, that it should be prohibited, the Supreme Court promptly says that that was an undue extension of the principles of interstate commerce. I am a great defender of courts, but I do not think courts are infallible. Two or three times the Supreme Court has held that that which is manufactured for the purpose of commerce and sent in interstate commerce can not be controlled at the source of its creation; but if a blue jay perches himself on top of a bit of Kansas alfalfa and then flies over into Missouri, he is an interstate commerce agency, if not an interstate commerce commission. The blue jay may have been hatched in Kansas and never got outside the State; and if he is killed in the nest where he was hatched, it is interstate commerce.

Now, what is the bill that we are asked to consider? The present law exists and now it is proposed to appoint a commission, a roving sort of commission, with two Senators on it, expenses paid, and with the Secretary of Agriculture, the Postmaster General, and two Members of the House. Those gentlemen will constitute a roving commission to go around and inspect swamps and out-of-the-way places and pick out the particular spots where birds like to hibernate or nest, and the probabilities are that the men selected would not know a woodcock from a mallard duck, much less where they would want to light or where they would best multiply. After they had picked out the place where the birds are requested to come and nest and lay their eggs and hatch, what happens? We then proceed to provide that every boy who lives out in the country and who sees one of these birds—not one that is going into the reserve but any one of them—flying about or lighting in the preserve, and who takes a shot at one of them can be dragged before a Federal court and fined and imprisoned unless he had taken out a license. It is true he can shoot on his father's own farm, but he can not invite his chum from town to shoot with him or the chum will go to jail, and probably the farmer's boy would go, for they would probably

both be indicted under the law of conspiracy that is now so generously used in this country.

What are they going to do with this dollar that they collect from the boy? This commission is going to establish somewhere, some place, a game preserve. It may be 100 and it may be 500 and it may be 1,000 miles away. Every boy and every man who goes hunting in the United States and who wants to hunt anything that there is to hunt must come down and pay his dollar to establish a game preserve that is probably hundreds of miles from his home.

Now, who is for the bill? I know who is for it because they have been to see me, and if they have been to see me, of course, they have been to see all the important Members of this body, for if they see the most unimportant they must have seen the important. The Audubon Society! The Audubon Society is composed almost exclusively of the aristocracy of the hunters. They are the chaps who own private hunting grounds. They are the gentlemen who are already fixed. They keep everybody off their preserves where they go to hunt. They now want the Government to buy a nesting place, a place where the birds hatch, so that when they are hatched and can fly and come across the country and within the range of these aristocratic guns aimed in their direction from a private lodge in a private preserve, these gentlemen will have something to shoot at. They want the farmer's boy and the town boy, who gets an old muzzle-loader, to pay for the establishment of the places where the birds are to hatch. I repeat, they are the aristocracy of the sports.

Many of them have fine lodges and game keepers, and if one goes on their grounds with a gun on his shoulder and happens to get across the division line, he is pounced on by them very promptly and is invited to go elsewhere. They are not bad gentlemen; but I am not in favor of taxing everybody in the country at their instance and request.

What else is proposed to be done by this measure? What is the next step? I forgot to tell Senators that under this bill one does not even have to violate a law in order to get into jail. All that it is necessary to do is to violate some regulation that has been promulgated by the Secretary of Agriculture. This bill contains a vice which many other bills have contained—and I hope none similar will ever be again passed by the Congress—making it a misdemeanor to violate a regulation not of law, but a regulation of an individual. The Secretary of Agriculture may make rules and regulations for the purpose of carrying out this proposed act. That gives him the right to make almost any kind of a rule or regulation he wishes to make, and Senators are liable to have their sons, if they are so fortunate to have sons, or their neighbor's sons, fined or imprisoned because they have done something that the wise man who is Secretary of Agriculture, an individual who 30 days previously, perhaps, was an unknown denizen of some State, has declared in a rule to be illegal.

Mr. KING. Mr. President, will the Senator from Missouri yield to me?

Mr. REED of Missouri. Yes.

Mr. KING. Several months ago I had examined many of our statutes and also regulations issued by various departments and Government agencies for the purpose of determining the number of regulations promulgated by departments, Federal agencies, bureaus, and bureaucratic agencies which contained penal provisions. The list was not nearly exhausted when it was reported to me that there were over 1,000 penal provisions in rules and regulations, perhaps not 1 per cent of the people of the United States being familiar with them.

Mr. REED of Missouri. We have reached the point in constitutional government where two or three gentlemen may get together, or one man by himself may do so, and take a piece of paper and write on it certain regulations, and if anybody does not do the thing he is told on that piece of paper he has got to do, that citizen of the United States may be sent to jail. Dropping into the vernacular, that is a fine state of affairs in a free country.

So far as I am concerned, I do not intend ever again to vote for any proposed law, however meritorious, that contains such an infamous provision. Rules and regulations! Let us see how far the drafters of this bill are willing to go. Let us examine this bill a little further. The bill provides in section 8:

SEC. 8. That no person shall take any migratory bird, or nest, or egg of such bird in any area of the United States which heretofore has been or which hereafter may be acquired—

And so forth. Section 18 provides:

SEC. 18. That for the purposes of this act the word "take" shall be construed to mean pursue, hunt, shoot, capture, collect, kill, or attempt to pursue, hunt, shoot, capture, collect, or kill.

That is the meaning of the word "take." So under this provision if a lad starts out and attempts to pursue and attempts to capture or attempts to collect, he may be promptly haled before some Federal magistrate hundreds of miles away and consigned to "durance vile," although possibly he has not done anything more in the world than to climb a tree and to look into a bird's nest.

Not only is one to go to jail if he does it, but he is to go to jail if he attempts to pursue a thing. If he starts to run down an old swamp crane, the first step he takes is toward jail or the penitentiary. Even if he gets ready, if he pulls off his jacket to get ready to run, he is attempting to get ready to pursue, and he goes to jail. Why, Mr. President, laws such as this are not enacted by the most despotic governments. Under this bill if two farmers' boys were to wander within the holy precincts of one of these preserves and in play were to chase a robin, they would be pursuing a robin and some of my friend's Federal agents would be around there to drag them to jail so they could collect some fees or collect some scalps.

Mr. CURTIS. Mr. President, I desire to ask the Senator from Missouri if he wishes to proceed further this evening? I want a short executive session, and I understand that there are two or three Senators who want to have some bills taken up and considered by unanimous consent.

Mr. REED of Missouri. I should be very glad to yield for that purpose.

Mr. CURTIS. Then I ask unanimous consent, with the consent of the Senator from South Dakota, that the pending motion be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

GEORGE TURNER

Mr. JONES of Washington. Mr. President, for the Senator from West Virginia [Mr. Goff], who is necessarily absent, I desire, out of order, to submit a report. I report favorably from the Committee on Claims, without amendment, the bill (H. R. 5627) for the relief of George Turner, formerly a Member of this body. Senator Turner was employed in connection with the joint commission on the boundary waters between this country and Canada. He served three or four months after we had repealed the provision for compensation, but neither he nor the department apparently knew of the provision. Senator Turner continued to render service and was paid for, I think, about three months. Then the department learned of the passage of the repealing law and called on him for a repayment.

In addition to that, Senator Turner also rendered services for another month and made a trip here to Washington City and back. The department under the law could not, of course, pay him for that. The bill which I have reported merely proposes to relieve Senator Turner from the return of what he had been paid for services actually rendered to the Government and also to pay him for the additional month's services rendered and for his expenses incurred in coming to Washington and return. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Without objection, the report will be received. The Senator from Washington asks unanimous consent for the present consideration of the bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the sum of money heretofore paid by the United States to George Turner, of Spokane, Wash., as salary for his services as counsel for the United States before the International Joint Commission on Boundary Waters for the months of July, August, September, and October, 1922, amounting to the total sum of \$1,666.64, may be retained by the said George Turner as legal counsel for the said services, disregarding any question which may have been raised as to the validity of said payments, and all disbursing and accounting officers of the Government are hereby released from any liability or alleged liability on account of said payments.

SEC. 2. That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$699.93, to be paid to the said George Turner by the proper disbursing officers of the Government as compensation to him for his services as counsel of the said International Joint Commission for the month of November, 1922, and his expenses necessarily incurred in going from Spokane, Wash., to the city of Washington, and returning to Spokane upon the duties imposed upon him as counsel of the said commission in accordance with the account of the said expenses filed with the Department of State by the said George Turner.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SHENANDOAH AND GREAT SMOKY MOUNTAIN NATIONAL PARKS

Mr. SWANSON. Mr. President, in view of the fact that it is necessary that I be absent from the Senate some little time, and may not be here when the calendar shall again be called, I ask unanimous consent for the immediate consideration of a bill (S. 4073) reported earlier in the day by the Senator from Oregon [Mr. STANFIELD]. It is a bill to make effective the results of a survey which was made a year ago, and is in the nature of an enabling act to provide for the establishment of the Shenandoah and the Great Smoky Mountain National Parks. The bill has been reported unanimously by the committee of the Senate, as a similar bill has been reported by the committee of the House of Representatives. It is simply an enabling act the passage of which will cost the Government nothing.

Mr. CURTIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. SWANSON. I yield.

Mr. CURTIS. I desire to inquire what kind of a title will the Government acquire to this land?

Mr. SWANSON. The Government will secure an absolute title in fee for a minimum of 250,000 acres in the Shenandoah National Park and a total of 150,000 acres for the Great Smoky Mountain Park. The Government will not have to pay any money whatever for it. The bill does not become operative until the acreage of land mentioned has been donated to the Government.

Mr. McKELLAR. The land is all donated by the States and by private individuals.

Mr. SWANSON. I ask for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with an amendment, in section 3, on page 3, line 18, before the word "thousand," to strike out "three hundred" and to insert "one hundred and fifty," so as to make the bill read:

Be it enacted, etc., That when title to lands within the areas hereinafter referred to shall have been vested in the United States in fee simple there shall be, and are hereby, established, dedicated, and set apart as public parks for the benefit and enjoyment of the people the tract of land in the Blue Ridge, in the State of Virginia, being approximately 521,000 acres, recommended by the Secretary of the Interior in his report of April 14, 1926, which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Shenandoah National Park; and the tract of land in the Great Smoky Mountains in the States of North Carolina and Tennessee, being approximately 704,000 acres, recommended by the Secretary of the Interior in his report of April 14, 1926, which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Great Smoky Mountains National Park: *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid areas, but that such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to accept as hereinafter provided, on behalf of the United States, title to the lands referred to in the previous section hereof, and to be purchased with the \$1,200,000 which has been subscribed by the State of Virginia and the Shenandoah National Park Association of Virginia, and with other contributions for the purchase of lands in the Shenandoah National Park area, and with the \$1,000,000 which has been subscribed by the State of Tennessee and the Great Smoky Mountains Conservation Association and by the Great Smoky Mountains (Inc.) (North Carolina), and with other contributions for the purchase of lands in the Great Smoky Mountains National Park area.

SEC. 3. That the administration, protection, and development of the aforesaid parks shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a national park service, and for other purposes," as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as the Federal water power act, shall not apply to these parks: *And provided further*, That the minimum area to be administered and protected by the National Park Service shall be for the Shenandoah National Park area 250,000 acres and for the Great Smoky Mountains National Park area 150,000 acres: *Provided further*, That no general development of either of these areas shall be undertaken until a major portion of the remainder in such area shall have been accepted by said Secretary.

SEC. 4. The Secretary of the Interior may for the purpose of carrying out the provisions of this act employ the commission authorized by the act approved February 21, 1925.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAMMOTH CAVE NATIONAL PARK, KY.

Mr. SACKETT. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 4209) to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

Mr. CURTIS. Mr. President, may I ask the Senator from Kentucky if the bill is along the same lines as the bill passed a few moments ago?

Mr. SACKETT. It is almost identical.

Mr. CURTIS. And under the bill the Government will acquire the same kind of title?

Mr. SACKETT. It will acquire the same kind of title and the people will donate the land.

Mr. CURTIS. And will they give a title in fee to the Government?

Mr. SACKETT. They will give a title in fee to the Government.

Mr. REED of Missouri. Mr. President, I think the bill had better be read.

The PRESIDENT pro tempore. The bill will be read.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That when title to lands within the area hereinafter referred to shall have been vested in the United States in fee simple, there shall be, and there is hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people, the tract of land in the Mammoth Cave region in the State of Kentucky, being approximately 70,618 acres, recommended as a national park by the Southern Appalachian National Park Commission to the Secretary of the Interior, in its report of April 8, 1926, and made under authority of the act of February 21, 1925; which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Mammoth Cave National Park: *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid area, but such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to accept, as hereinafter provided, on behalf of the United States, title to the lands referred to in the previous section hereof, and to be purchased with the funds which may be subscribed by or through the Mammoth Cave National Park Association of Kentucky, and with other contributions for the purchase of lands in the Mammoth Cave National Park area: *Provided*, That any of said lands may be donated directly to the United States and conveyed to it, cost free, by fee-simple title, in cases where such donations may be made without the necessity of purchase.

SEC. 3. The administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes," as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as the Federal water power act, shall not apply to this park: *And provided further*, That the minimum area to be administered and protected by the National Park Service shall be, for the said Mammoth Cave National Park, 20,000 acres, including all of the caves: *Provided further*, That no general development of said area shall be undertaken until a major portion of the remainder in such area shall have been accepted by said Secretary.

SEC. 4. The Secretary of the Interior may, for the purpose of carrying out the provisions of this act, employ the commission authorized by the act approved February 21, 1925.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JAMES L. BORROUM AND FRANCIS P. BISHOP

Mr. MAYFIELD. I ask unanimous consent, on behalf of the Senator from Kansas [Mr. CAPPER], to call up Senate bill 4052, Order of Business No. 700. I reported this bill and told the Senator's friends that I would undertake to look out for it. It simply gives some citizens of Kansas the right to go into court and bring suit for alleged claims.

The PRESIDENT pro tempore. The Secretary will state the title of the bill.

The CHIEF CLERK. A bill (S. 4052) authorizing James L. Borroum and Francis P. Bishop to bring suits in the United States District Court for the State of Kansas for the amount due or claimed to be due to said claimants from the United States by reason of the alleged inefficient and wrongful dipping of tick-infested cattle, and giving said United States District Court for the State of Kansas jurisdiction of said suit or suits.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims, with amendments.

The amendments were, on page 2, line 4, after the words "of the," to strike out:

wrongful, negligent, careless, and inefficient dipping of about 1,107 head of cattle, which said dipping was done under the direction and supervision of the United States Bureau of Animal Industry at Argenta, Kans., in the month of May, A. D. 1916, said cattle having originated in Calcasieu Parish, State of Louisiana, and were infested with what is commonly known as the splenetic fever tick, and which said cattle were shipped from Lake Charles, La., to southeastern Kansas.

And to insert:

alleged negligent dipping at Argenta, Kans., in the month of May of the year 1916, under the supervision of the Bureau of Animal Industry of the United States Department of Agriculture, of about 1,107 head of tick-infested cattle which originated in Calcasieu Parish, La., and were shipped from Lake Charles, La., to southeastern Kansas, including in such determination the question as to whether there was any negligence on the part of the said Bureau of Animal Industry and, if so, the amount of damages, if any, which proximately resulted to said claimants, or either of them, therefrom.

And on page 2, line 15, after the word "court," to insert:

and said claimants and the United States of America shall have all rights of review by appeal or writ of error or other remedy as in similar cases between private persons or corporations.

So as to make the bill read:

Be it enacted, etc., That James L. Borroum and Francis P. Bishop, any statutes of limitation being waived, are hereby authorized to file within two years from the passage of this act their suit or suits, jointly or separately, in the United States District Court for the State of Kansas; and jurisdiction is hereby conferred upon said United States district court to hear and determine such suit or suits as may be brought upon their claims against the United States of America growing out of the alleged negligent dipping at Argenta, Ark., in the month of May of the year 1916, under the supervision of the Bureau of Animal Industry of the United States Department of Agriculture, of about 1,107 head of tick-infested cattle which originated in Calcasieu Parish, La., and were shipped from Lake Charles, La., to southeastern Kansas, including in such determination the question as to whether there was any negligence on the part of the said Bureau of Animal Industry and, if so, the amount of damages, if any which proximately resulted to said claimants, or either of them, therefrom.

The action in said court may be presented by a single petition, making the United States a party defendant, and shall set forth all the facts on which the claimants base their claims, and the petition may be verified by the agent or attorney of said claimants. Official letters, reports, and public records, or certified or photographic copies thereof, may be used as evidence. Nothing contained in this act shall be construed as waiving any defense against such demands existing prior to the approval of this act, except that the Government of the United States of America hereby waives its immunity from suit thereon; and the statutes of limitation, if applicable to said suit, are hereby waived; but every other legal or equitable defense against such demand or demands, or any of them, shall be available to the United States and shall be considered by the court; and said claimants and the United States of America shall have all rights of review by appeal or writ of error or other remedy as in similar cases between private persons or corporations.

SEC. 2. Any judgment or judgments rendered shall not exceed the sum of \$15,440.04 and shall not include interest for any period before or after rendition.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS ARISING FROM SINKING OF THE "NORMAN"

Mr. McKELLAR. Mr. President, I have exactly the same kind of a bill. It is Senate bill 2273, Order of Business No. 600. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2273) conferring jurisdiction upon the Federal District Court of the Western Division of the Western District of Tennessee to hear and determine claims arising from the sinking of the vessel known as the *Norman*, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Federal District Court for the Western District of Tennessee to hear and determine in actions at law all claims, however arising, irrespective of the amount, for damages, whether liquidated or unliquidated, for personal injury, death, or loss or damage to property against the United States of America growing out of the sinking of the vessel known as the *Norman* on the Mississippi River on or about May 8, 1925, near Memphis, Tenn., if the party suing would be entitled to redress against the United States in a court of law in respect of such claims in case the United States were suable. Recovery under this act shall be the sole right of recovery for such claims under law of the United States. Should employees elect to sue hereunder, their right of recovery shall be limited to the provisions of this act.

SEC. 2. Any such claim may be instituted at any time within two years after the passage of this act notwithstanding the lapse of time or any statute of limitation. No statute for the limitation of the liability of the owner of any vessel shall be applicable to any such claim. Proceedings in any action under this act and appeals therefrom and payment of the judgment therein shall, except when inconsistent with the provisions of this act, be had as in the case of claims over which the court has jurisdiction in actions at law under the first paragraph of paragraph 20 of section 24 of the Judicial Code, as amended.

SEC. 3. Service on the United States of America under any suit instituted under this act shall be had on the United States district attorney of the western division of the western district of Tennessee, and the clerk of the United States district court of said district shall also send to the Attorney General of the United States a certified copy of the summons and declaration so filed, said action shall be docketed and tried as any other suit at law pending in said court and tried by jury had as in other suits at law.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MERRITT W. BLAIR

Mr. BRATTON. Mr. President, I ask unanimous consent to call up House bill 9371, Order of Business No. 775. It is a bill to this effect:

A homesteader made homestead filing and received a patent to 80 acres of land in New Mexico. After the patent had issued it was discovered that the Government had no title; that the land had been conveyed to the State some 17 years before. This bill authorizes him to select 80 acres of land elsewhere of no greater value.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9371) for the relief of Merritt W. Blair, of Abbott, Harding County, N. Mex., or his transferees, which was read, as follows:

Be it enacted, etc., That Merritt W. Blair, his successors or assigns, be, and are hereby, authorized to select and to receive patent for not to exceed 80 acres of land to be selected from the unappropriated, unreserved, nonmineral, surveyed public lands of the United States, the land selected to be in lieu of and not to exceed in value the land erroneously patented to said Merritt W. Blair on January 27, 1922, under homestead entry Clayton 024795, all interest under the said patent dated January 27, 1922, to be reconveyed to the United States by a duly executed and recorded quitclaim deed.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NAVAL APPROPRIATIONS

Mr. HALE. Mr. President, I ask that the Chair lay before the Senate the action of the House on certain Senate amendments to House bill 7554, the naval appropriation bill.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,

May 13, 1926.

Resolved, That the House recedes from its disagreement to the amendments of the Senate Nos. 28, 29, and 37 to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, and concurs therein.

That the House recedes from its disagreement to the amendment of the Senate No. 27, and concurs therein with an amendment as follows: In lieu of the matter inserted by said amendment insert the follow-

ing: "for new construction and procurement of aircraft and equipment, \$4,962,500; in all, \$18,805,288."

That the House further disagrees to the amendment of the Senate No. 20.

Mr. HALE. I move that the Senate agree to the amendment of the House to the amendment of the Senate No. 27, and that the Senate recede from its amendment No. 20.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

P. C. BLACK

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of House bill 8937. It involves a land question in Florida. The bill is recommended by the Secretary of the Interior.

Mr. CURTIS. Will the Senator state briefly what it proposes?

Mr. HEFLIN. It simply permits the rightful owner of certain lands down there, for a consideration to be paid to the Government, to clear up his title.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KING. Let it be read.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Chief Clerk read the bill (H. R. 8937) permitting the sale of lot 9, 16.63 acres, in section 31, township 2 south, range 17 west, in Bay County, Fla., to P. C. Black, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to sell to P. C. Black lot 9, 16.63 acres, in section 31, township 2 south, range 17 west, Tallahassee meridian, in Bay County, Fla., at the rate of \$1.25 per acre.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 38 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 14, 1926, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13 (legislative day of May 10), 1926

POSTMASTERS

MARYLAND

Stewart Rodamer, Grantsville.

MINNESOTA

Edward B. Hicks, Winona.

NEW JERSEY

Harry M. Riddle, Asbury.

Joseph G. Endres, Seaside Heights.

WISCONSIN

Daniel Murray, Nashotah.

HOUSE OF REPRESENTATIVES

THURSDAY May 13, 1926

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, only the present is ours; the future we can not claim, but we know that Thou wilt never fail us. By day and by night Thou hast been our guardian angel; even when we have been recreant to the trust reposed in us, Thy providential care has been round about us. With renewed faith in Thee and with a humble prayer for Thy guidance, help us to move forward through the hours that await us. With courage and determination may we prove ourselves worthy of Thy manifold

blessings. Bid us do the works of righteousness that shall survive when the things of time shall be no more. We pray in the spirit of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

FARM RELIEF

Mr. GARBER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the subject of agricultural relief, the pending bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARBER. Mr. Speaker and Members of the House, the spectacular development of the United States from the thirteen colonies to the richest, most influential Nation in the world in a century and a half is proof of the soundness of the principles of freedom and equality upon which her life as a nation is founded. And as from a basis of these fundamental principles her national life and character has grown, so upon the solid groundwork of agriculture, her basic industry, her enormous material prosperity is built. She is like a great tree, her eager heart straining toward heaven, her roots deep in the soil, dependent upon it for life. Agriculture is the soil of our prosperity, and the farmer, like the bread that he produces, is the staff of our national life.

Periods of agricultural depression are invariably times of general economic instability and unrest, for agriculture, in a sense, controls the economic heartbeat of the Nation. The place of agriculture in the social, economic, and political structure is so fundamental that from a standpoint of self-interest alone every class of citizens in the Nation should lend its active cooperation in effecting the rehabilitation of the industry. For can a nation be economically safe when an industry of such influence as agriculture is in an unhealthy condition? Let the figures from the Agricultural Department briefly describe it.

SHRINKAGE IN FARM VALUES IN 1921 AND 1922

In 1920 the purchasing value of farm products was 131 per cent above the purchasing value of farm products in 1913. In 1922 it was only 24 per cent above the pre-war value, representing a shrinkage in the purchasing value of the 1921 and 1922 crops of six billion. In two short years the value of farm products depreciated 107 per cent, and that at the very time our exports of farm products were the largest in our history. With all basic farm products on the free list of the Underwood Act foreign farm products flooded our markets, and farm prices here hit the rock bottom of the much-vaunted world market prices. As a consequence the gross wealth produced by farmers dropped from \$23,783,000,000 in 1919 to \$12,366,000,000 in 1921. The farmers received just about half as much for the big crops of 1921 as they received for the big crops of 1919. Factories shut down and bread lines came back with the 5,000,000 men out of employment, representing a population of 15,000,000. At the local markets wheat sold for 65 and 68 cents per bushel; corn, 10 and 12 cents per bushel; hogs, \$2 and \$2.50 to \$3 per hundred; cows, \$8 per head; and all other products in proportion.

UNSATISFACTORY CONDITION OF AGRICULTURE

Because of such terrific deflation, amounting almost to annihilation, and his unorganized condition the farmers of this country have not received their share of the national income and farm conditions, while improving, have not as yet been restored.

Each year we have hoped that the conditions of agriculture would improve and keep pace with the growing prosperous conditions of labor and industry. Such hopes have not as yet been realized. Agriculture still sags, and the condition of the farmer still lags behind, not in the scale of production but in the distribution of the purchasing power of his products. Each year his representatives in Congress have demanded remedial legislation and many laws have been enacted for his relief, but they have not resulted in bridging the chasm between the low purchasing power of farm products and that of nonagricultural products.

FARMERS MUST ORGANIZE TO HELP THEMSELVES

There is no question but what much of this is due to his lack of organization, to his lack of bargaining power, his lack of marketing machinery. All this he must remedy himself through cooperative marketing organizations of his own making, but his lack of organization is not alone due to his own neglect so much as it has been due to the neglect of those agencies which he set up and had a right to expect would exercise a progressive leadership. Because of such agencies his whole attention has been centered on production. The Department of Agriculture and the agricultural colleges throughout the country, specializing upon this subject of production only and the demand for its increase intensified by the war's demands dis-

located all the balances of agriculture and destroyed the price levels of its products.

OUR PROTECTIVE SYSTEM MUST INCLUDE THE FARMER

The problem to-day is one of successful merchandising, which can only be effected through cooperative marketing organizations. The farmers must be given the same power of organization as that used by other lines of business. Until that degree of organization can be effected the Government must lend its hand. It must aid agriculture as it has aided industry, as it has protected labor and the railroads, and stabilized the banking business of the country. Industry has its tariff that increases the price of manufactured articles above the world level. Labor has its immigration law that keeps out competition and the Adamson law that regulates its hours of work. The railroads have the Interstate Commerce Commission, a Government agency that fixes the price of transportation on almost every article that enters into human consumption, and the Esch-Cummins law as the authority to keep rates high enough to give them a reasonable return on their own valuation. The banks have the Federal Reserve Board, a Government agency that fixes the price of credit and stabilizes it to the country.

This is the protective system we have gradually set up in this country. It composes a protective system as distinguished from a protective tariff. In demanding a Federal marketing agency to set up a system for the merchandising of his products, the farmer is asking for nothing more than what the Government has already given industry, with its complicated rate schedules and Tariff Commission, transportation with its Interstate Commerce Commission fixing prices and prohibiting the building of other lines and forcing consolidation, and the banking system with its Federal reserve banks and boards and national banks.

SHALL WE FOLLOW ENGLAND IN SACRIFICING AGRICULTURE TO INDUSTRY?

Continued neglect of agriculture will finally industrialize this country and bring about a national calamity equal to that which but yesterday faced industrialized Great Britain. She sacrificed her agriculture to industry and now faces destruction. She now sees her great mistake and is making every effort to rectify it.

AMERICAN CONSUMER PAYS FOR FOREIGN PROTECTION

Other countries are helping their farmers at a tremendous cost to the American consumer, although we do not approve of their controls and neither would our constitutional restrictions permit of them. Great Britain controls the export of rubber in the interests of her rubber producers. The same is being done by Brazil for her coffee producers and Chile with farm fertilizer—and then there is sisal. For the protection of foreign producers the American people pay annually \$830,000,000, or one-fifth of our total imports are absolutely controlled by foreign governments to protect their home producers. It is the Brazilian Government that by monopoly raises the cost of coffee on every American breakfast table; the British Government, by control, the price of every tire to the American consumer; the Chilean Government the price of fertilizer to a farm population of 30,000,000. Every cent added to the cost of raw sisal adds \$4,000,000 to the cost to the American consumers, and every cent added to the retail price of nitrate means \$12,000,000 in additional charges to the farmers.

ECONOMIC SIGNIFICANCE OF AGRICULTURE

Surely our Government should be as greatly concerned in agriculture as it has been and now is in other lines of industry in this country and as the governments in other countries are concerned in their agriculture. The farmers of this country have contributed their part toward the building of this Nation.

The agricultural industry exercises normally a purchasing power of nearly \$10,000,000,000 annually for goods and services produced by others.

It purchases about \$6,000,000,000 worth of manufactured products annually, or about a tenth of the value of the manufactured goods produced.

It supplies materials upon which depend industries giving employment to more than half of our industrial workers.

It pays directly or indirectly \$2,500,000,000 of the wages of urban employees.

It supplies about an eighth of the total tonnage of freight carried by our railroad system.

Its products constitute nearly half of the value of our exports.

It pays in taxes about one-fifth of the total cost of Government.

Our farms and farm property represent nearly one-fifth of our tangible national wealth, and agriculture has contributed in recent years about one-sixth of the national income.

THE FARM—THE BASIS OF OUR NATIONAL LIFE

Farms are more than workshops—they are homes, sources of our future citizenship, schools for development of the sturdy qualities of self-reliance, honesty, common sense, and character—embracing about 32,000,000 of our people, or nearly one-third of our total population. The farm population must be maintained; the difficulty of replacing it from the cities and the consequences of its disintegration are being realized more and more by foreign nations, and should remind us of the effectiveness and economy of constructive preventive policies in comparison with the difficulties of turning the tide back to the farm once it has disrupted by its outward flow the structures of agrarian society.

ORGANIZED MARKETING MUST MINIMIZE NATURAL INSTABILITY

There are certain peculiarities of the industry which render its problems particularly difficult of solution. In the first place, from the very fact that in it nature plays a controlling hand, it is impossible to perfect its organization upon a basis of mechanism and certainty, similar to that, say, of manufacturing. But though, inevitably, the market for farm products fluctuates from season to season, that does not mean that the farmers should be eternally balanced in a precarious position of financial uncertainty for—

the effects of the instability of the productive process depend chiefly upon human intelligence and ingenuity.

Thus, while production may necessarily be incapable of definite control, the marketing of this production is a problem for human efficiency.

FARMING STILL LARGELY A "FAMILY AFFAIR"

Secondly, those very qualities of character which make the farmers the backbone of the Nation, combined with the peculiar economic character of the industry, have tended to make them intensely individualistic and delayed their organization into a working unit on a plane with organized capital and labor. Farming is still in the United States primarily a "family affair"—more so than in European countries, there being nearly six and a half millions of these individual or family enterprises, more than those of industry, mining, commerce, and finance combined.

FARMERS CAN NOT CONTROL PRODUCTION NOR PRICE

In every industry, except farming, price regulates production. Manufacturers, jobbers, wholesalers take their orders a year in advance so that they know, approximately, what the demand will be and govern their production accordingly. If, by intensive competition, prices become low, production can be curtailed, overhead expenses can be reduced, and, if necessary, the industry can shut down and thus the economic balance is maintained.

But in agriculture it is entirely different. Production can not be regulated by the farmer for the simple reason that he can not regulate weather conditions. Winds, droughts, floods, boll weevil, corn borer, chinch bugs, green bugs, wheat rust, the Hessian fly, and numerous other pests and diseases make the regulation of production an impossibility.

For instance, in 1920 the corn acreage of the United States, approximately 101,000,000 acres, produced at the rate of 31.5 bushels per acre; in 1924 the yield was 22.9 bushels. On the same acreage base for those two years the variation in total yield due to weather and other factors beyond the farmer's control was 858,000,000 bushels.

The average United States cotton acreage for the years 1921–1924 was 35,000,000 acres. The 1921 yield was 124.5 pounds per acre; in 1924, 156.8 pounds. The cotton yield variation in those years, due to uncontrollable influences, amounted to 2,250,000 bales on the average acreage.

The 52,000,000 wheat acres, which produced on the average 16.5 bushels per acre, a total of 862,627,000 bushels in 1924, yielded only 12.8 bushels per acre, a total of 669,365,000 bushels in 1925. The difference, which no degree of foresight or organization on the part of the farmers could have prevented, was nearly 200,000,000 bushels of wheat. In other words, the same acreage that yielded barely enough wheat to supply our domestic requirements in 1925 had produced a gigantic exportable surplus the year before. The foregoing examples show conclusively that control of acreage is not control of production.

A SEASONAL SURPLUS AN ECONOMIC NECESSITY

Those who unthinkingly criticize the farmers because they do not curtail production to the limit of domestic consumption do not take into consideration that a seasonal surplus is an economic necessity for the consumer. It is to safeguard him against shortages, failures, and famines. Being an economic necessity for the normal food supply over a period of years, the

consumer should be willing to bear the burden of it. It is his insurance against an insufficient food supply and excessive prices. But because of the farmer's inability to regulate production and the necessity for a surplus, he is unable to fix the price, and production controls it; so that we may have the paradoxical situation of excellent crops resulting in depreciation and "hard times." This frequently occurs. Numerous examples might be cited, one of which will be sufficient. The 1924 corn crop was about 20 per cent less than that of the previous year, and inferior in quality, but it sold for about \$350,000,000 more than the 1923 crop. The same is frequently true in reference to wheat, cotton, potatoes, and farm products of all descriptions.

FARMERS MUST CONTROL THEIR MARKET

And so the farmers gamble with weather and price, producing what they can and taking what they can get in a state of "every man for himself and the devil take the hindmost." They are slaves of industry while labor and industry, organized to control their market, are its masters.

DIFFERENTIAL OF 27.6 AGAINST THE FARMER

The average index of all agricultural products in 1924, reckoned on a basis of 100 in 1913, was 134 per cent while the average for nonagricultural products in the same year was 161.6, a differential of 27.6 per cent against the farmer. The differential of 27.6 per cent represents the advantage of the organized interests over the unorganized farmer of to-day.

UP TO AMERICAN STANDARDS—DOWN TO EUROPEAN—WHICH?

The ultimate problem is one of equalization. What kind of equalization should we have—an equalization up to the American standard or an equalization down to the European standard? Shall we lift agriculture up on an equality with labor and industry or shall we pull labor and industry down on a level with agriculture?

Our remedy is to equalize agriculture up to a level with labor and industry, to enlarge the scope of the protective system so as to include the farmers of this country. We have gone too far with our protective system to equalize downward. It is too firmly entrenched in our economic and political system. It would be like pulling down the pillars of the temple of our prosperity. What is the program for equalization upward?

ORGANIZATION ESSENTIAL TO EFFICIENT MERCHANDISING

First. Organization of effective cooperative marketing organizations. The problem is one of merchandising. Through marketing organizations alone can the farmers feed the market and prevent the seasonal gluts which depress the price. Six hundred million bushels of an 800,000,000-bushel wheat crop is annually dumped on the market within 90 days after the threshing season begins. This anarchy in marketing would depress and destroy the stability of any market. Only 16 per cent of the wheat growers receive a yearly average price for their products, while 82 per cent receive less than the average price. This alone amounts to an annual loss to the wheat farmers of millions of dollars.

GOVERNMENT MUST LEND A HAND

Second. With sufficient capital to be advanced by the Government in the form of a revolving fund, local, seasonal, and geographical surpluses can be handled to the best advantage, controlled, carried over, and marketed as the demand will yield a reasonable price, thus leveling the peaks and valleys of high and low prices and insuring an average price to the producer.

PRODUCER'S SHARE IN THE CONSUMER'S DOLLAR IS TOO SMALL

Third. With an effective marketing system, much of the unnecessary overhead between the producer and consumer can be cut out. It is variously estimated that the farmer only receives from 27 to 50 cents out of the dollar the consumer pays for his products. The balance is what he pays for the merchandising of his products when he should merchandise his own products and save the unnecessary overhead in the amount of three or four billion dollars annually without raising the price to the consumer.

Why should it be necessary for the farmer to receive only 96 cents per bushel for potatoes, while the public pays \$2.13 per bushel; \$1.25 for his wheat, while the public pays in excess of \$1.68; 55 cents for his corn, for which the public pays between 90 cents and \$1 per bushel; \$6.50 per hundred pounds for beef cattle, while the consumer pays from 50 to 60 cents per pound; \$3.86 per bushel for his beans, while the public pays from \$7 to \$8 per bushel; for the grower of peaches to receive \$1.08 per bushel, while the public pays in excess of \$9 per bushel; for the grower of apples to receive \$1.68 per bushel, while the public pays from \$3 to \$4 per bushel; for the farmer to receive from 20 to 30 cents per dozen for his eggs, while the

public pays from 40 to 50 cents per dozen; from 20 to 30 cents per pound for his butter, while the public pays from 40 to 60 cents?

It is because of a lack of marketing organizations federated throughout the entire country. Just as the corporation, the bank, and the trade associations have developed in answer to the needs of business, industry, and finance, so specialized marketing organizations must be effected for the relief of the farmer, and he must actively cooperate in effecting their organization.

The need then is one of coordination of supply and demand, its peculiar difficulty lying in the fact that production is concentrated in relatively short periods, while consumption is spread over a longer period, and so the problem at bottom is one of marketing.

GROWTH OF COOPERATIVE MARKETING ORGANIZATIONS

The disrupting effect of unsystematic dumping of products on the markets in the productive seasons by 6,500,000 individuals must give way to the orderly marketing of products through cooperative organizations which not only control the market and prevent congestion and dumping, thus stabilizing the prices of farm products, but place the farmer in more direct contact with his customer. If the intricacies of our insufficient distributing system were fairly corrected, so as to minimize the economic waste between producer and consumer, it would result in a saving of 20 per cent to the consumer, which would be equal to a one-eighth advance in the wage scale.

Agriculture has been slow in junking its old methods in favor of organization. In this respect it is far behind labor and capital, but it has made rapid progress during the last decade. During 1924 it is estimated that the business transacted by cooperative farmers' organizations, including both selling and buying operations, amounted to \$2,500,000,000, approximately a fifth of the total agricultural business. The average business of cooperative associations has more than doubled between 1913 and 1923, amounting in the latter year to \$217,000 per association.

Through organization the cost of living can be brought down in the cities and farmers can obtain higher prices for their products.

THE TINCHER BILL

The purpose of the Tinchler bill is to promote such organizations. It is a sound, constructive measure along business lines, providing sufficient capital, if judiciously utilized by the marketing agency, to materially aid in the organization of an effective marketing system. But does it go far enough to protect the price of our farm products from the world's price depression?

SURPLUSES MUST BE CONTROLLED

Fourth. The world's price for farm products must not be permitted to depress the price of the farm products for domestic consumption of which we have an exportable surplus. Our exportable surplus must be segregated and disposed of to the best advantage as industry disposes of its surplus, with an equalization fee against the producer to pay the expenses and losses, and thus control and curtail increased production.

THE HAUGEN PLAN

The Haugen bill makes such provision. In case of an emergency period of low prices on any one or more of the basic products, an operating period may be declared on such product or products and an equalization fee imposed by the Federal farm board, this board to be composed of 12 members to be appointed (one from each Federal land bank district) by the President from a list of 36 nominated by the Federal farm advisory council. The council will be composed of four men from each land bank district to serve without salary and chosen at conventions of farm organizations and cooperative marketing associations within each district. The farm board will not declare an emergency and impose an equalization fee unless it clearly appears that an emergency actually exists and that a majority of the producers of the basic crop are willing to pay the expenses. However, such power should be vested in the producers of the crop. We favor an amendment to the bill providing—

that no operating period shall be declared and no equalization fee imposed unless first authorized by a majority of the producers of the basic crop affected.

AN AMERICAN PRICE FOR FARM PRODUCTS

While the tariff is effective on all farm products of which we do not produce a surplus and affords the farmers the necessary market at home, surpassing in consuming capacity and capacity to pay any other market of the world, yet its effectiveness can be so materially increased as to give the farmer an American price for everything of which he produces

an exportable surplus. He pays the American price for everything he has to buy and that price is reflected in the prosperity of the country. He must have his equal share.

WHY BUY FARM PRODUCTS ABROAD?

Fifth. The tariff on farm products should be increased to prevent the dumping of foreign-farm products in our markets in competition with our own. The farmer must have the full benefits of the home market.

During the year 1925, out of an approximate total of \$1,818,000,000 worth of imported agricultural commodities admitted into this country, \$1,056,000,000 worth, or more than 50 per cent, were such as to be in direct competition with the products of the American farmer. They included the following items: Animals, approximately \$8,800,000 worth; meat, \$7,252,000 worth; eggs and egg products, \$8,988,000; milk and cream, \$10,114,000; butter, \$2,646,000; cheese, \$17,349,000; animal fats, \$637,000; hides and skins, \$96,746,000; leather and partly manufactured leather, \$36,266,000; miscellaneous animal products, \$25,000,000; grains and grain preparations, \$26,237,000; fodders and feed, \$11,850,000; vegetables and vegetable preparations, \$36,244,000; fruits (excepting bananas), \$24,500,000; nuts, \$34,283,000; oil-seeds, \$64,725,000; vegetable oils and fats, \$75,000,000; sugar, sirups, and honey, \$266,008,000; seeds, \$11,870,000; tobacco, \$83,881,000; miscellaneous vegetable products, \$5,000,000; cotton, \$52,775,000; flax, \$3,575,000; straw materials, \$3,798,000; wool, \$141,976,000.

The implication of these figures can not be ignored. Shall we sit idly by while European farmers, with their products of cheap land and cheap labor, push greedily into our home market, competing with our American farmers? By an adequate increase in rates on such farm products, our farmers' market would be increased in excess of a billion dollars annually.

FREIGHT RATE REVISION—AN ECONOMIC NECESSITY FOR THE FARMER

Sixth. There must be revision and readjustment of freight rates on farm products.

Since the farmer in different sections of the country produces in surplus quantities those crops best adapted to that region, he is dependent in the efficient marketing of his produce on the availability of transportation facilities. The transportation charges in turn have a direct bearing upon his income, since, unlike most other major industries, he is unable to pass on to the consumer the costs of marketing. The farmer pays the freight to the consumer and also the freight on the commodities and implements that he buys. The agricultural industry pays about one-eighth of the country's total annual freight bill, or about \$625,000,000 per year. And since the agricultural industry bought about one-tenth of the value of all manufactured products, it has been assumed that one-tenth of the freight receipts on manufactures, miscellaneous and merchandise freight for 1924 would represent the freight cost on articles bought by farmers.

THE SOLUTION OF THE FARMER'S TRANSPORTATION PROBLEM

The rate system now in operation is unjust, inequitable, and a sovereign source of the farmer's ills. Increase the efficiency of his production as he may, the dice are loaded against him in exorbitant and discriminatory rates which devour the narrow margin of his profits. The remedy lies in a reorganization of the Interstate Commerce Commission, which in its present form is cumbersome, inefficient, and unable from the very magnitude of its administrative territory to function effectively. We must have decentralization. Washington does not comprise either the country or the Government. The people who live in remote States are just as much entitled to have the convenience of Government service extended to them as the people residing in States adjoining the capital.

THE WEST MUST HAVE REPRESENTATION ON THE COMMISSION

The Interstate Commerce Commission is composed of 11 members, 10 of whom are from east of the Missouri River. The entire section west and southwest of the Missouri has only one member, as has the entire South.

The geographically small region east of the Missouri and north of the Ohio and Potomac has 9 of the 11 members. New York alone has two. Measured in terms of area, more than three-fifths of the country has only one commissioner, and that the region that furnishes the bulk of the breadstuffs, the meatstuffs, and the raw materials for the comparatively small area that has 10 members. And out in the great West, where there is no representation on the freight-making and freight-adjusting commission, the freight rates are most burdensome.

DIVISION OF THE COUNTRY FOR RATE-MAKING PURPOSES

Under the act of 1920, the Esch-Cummins Act, the commission divided the country into five sections for rate-making purposes, basing the rates upon a valuation in each section. In cooperation with the commission, the carriers have established their sectional or group freight associations, as follows: The Southern

Freight Association, with main office in Atlanta, Georgia; the Southwestern Freight Bureau, with main office in St. Louis; the New England Freight Association, with main office in Boston; the Trunk Line Association, with main office in New York; the Western Freight Association, with main office in Chicago; the Central Freight Association, with main office in Chicago; and the Transcontinental Freight Association, with main office also in Chicago.

HOW RATES ARE CHANGED

Through these various associations the carriers are encouraged by the commission to work in cooperation in any proposed rate change, settlement, or controversy among themselves. The time when one carrier acted alone is passed; the notice of increase by one road would immediately be protested by every other road. When the carriers want an increase they file their tariff with the commission and notice of 30 days of the proposed change in rates must be given. If there is no complaint to the proposed change in rates, the proposed rates go into effect without investigation by the commission and right here is the vice of the whole system, especially in so far as unorganized agriculture is concerned. If there is complaint, the proposed rates are held in abeyance until an investigation is made and hearings held to determine the merits of the case.

BURDENSOME RATES FILED ON UNREPRESENTED WEST

Not being organized, the farmers have had no representatives to challenge the proposed changes in rates that have been granted by default since the enactment of the law. Changes in rates on agricultural products have been constantly granted until they have piled up and become so burdensome as to become almost confiscatory. There has been no one on guard when these proposed increases on agricultural products have been granted by reason of no objections made. The farmer on the farm, knowing nothing of the changes in the rates and not having sufficient interest and not being able financially to challenge them if he had, can not be expected to drop his farming and come down to Washington to protect his interests.

PLAN FOR DECENTRALIZATION OF THE COMMISSION AND EQUAL REPRESENTATION

My bill (H. R. 7092) amending the interstate commerce act provides for the establishment of five regional commissions of five members each, residing in the region of jurisdiction, thus bringing the commission "closer home" and giving every section of the country and every interest equal representation. It provides for a reduction in the membership of the present commission from 11 to 7 by the transfer of 4 of the commissioners to membership on the regional commissions created. The jurisdictional power of the commissions, exercised in the districts of actual residence, obviates the necessity for the large number of examiners under the present law operating from Washington with advisory powers only, so that the increased expenses incident to the establishment of regional commissions would be nominal, if any, and would be more than made up by the increased convenience and accessibility to shippers.

PROVIDES FOR UNIFORMITY AND STABILITY OF RATES

The bill uses the same sections of the country as are now being used for rate-making purposes, so there would be the same uniformity and stability of rates, and each commission would have and exercise the same rate-making powers that are now exercised by the Interstate Commerce Commission.

A MECHANISM FOR REVISION AND READJUSTMENT OF RATES

Having a clear docket, they would be in a position to examine and on their own initiative hold hearings on every proposed increase of rates. They would also have time to go over the entire rate structure in their region and revise and readjust the rates, eliminating all the glaring inequalities and discriminations that have accumulated. Living within the regions, the commissioners would be more familiar with the transportation problems of the region and of the industries affected and would feel more intensely their direct responsibility to the people living in the region. In the regions proposed, we have almost the entire mileage of a majority of the railroads operating therein.

This bill proposes a remedy through which we may hope to get a revision and readjustment of the freight rates of this country, so essential to the prosperity of the farmers, both as producers and consumers.

EQUALIZATION UPWARD THROUGH ORGANIZATION TO PROSPERITY

Thus we see that a constructive program of relief for agriculture distinguishes between production of farm products and their merchandising; that merchandising requires organization; that it can only be effected through cooperative marketing organizations that these organizations must be effected by the producers

themselves, their promotion to be encouraged by governmental assistance in setting up marketing machinery, to be furnished with capital advanced by the Government as a loan to be used as a revolving fund for the purpose of aid in the orderly and profitable marketing of farm products. When authorized by the producers of any basic crop, the Federal farm board would be empowered to declare an emergency, to estimate the amount of the surplus, and of an equalization fee sufficient to segregate the surplus from the home market and sell it abroad, the equalization fee to be levied by the board to pay the expenses and losses of the disposition of such surplus and to act as a brake for the curtailment of production.

The above, in brief, is our program for equalization of agricultural conditions upward and for farm relief. It does not put the Government in the farming business, but leaves the entire control and management with the farmers themselves, where it belongs.

EQUALIZATION DOWNWARD DOES NOT HELP THE FARMER

There are others who would equalize downward for farm relief. They insist upon the admission of the products of foreign labor and farm products of foreign countries into our market on a competitive basis with our own.

THE IMPORTANCE OF THE HOME MARKET

Foreign trade is not an index to prosperity—a bigger place in the world market is not a panacea for our agricultural economic ills. The preservation of our home market is the essential thing, worth more to us than the entire markets of the world.

The total international trade of the world is something more than \$52,000,000,000 in value, divided as follows: Imports, \$27,000,000,000; exports, \$25,000,000,000. The share of the United States in this world trade is, roughly, about 16 per cent, or 13.3 per cent of the imports and 18.4 per cent of the exports. Fifty-two billion dollars worth of international trade is a colossal sum, but the annual productivity of the United States runs into seventy and eighty billions a year, eclipsing the amount of the world's trade by a sum larger than our national debt.

We exported during 1925, \$4,909,845,000 worth of goods. So the home market for homemade goods is greater by at least \$15,000,000,000 than the entire export and import trade of the world. And in addition, we imported \$4,227,280,000 worth of goods.

FALLACY OF THE FOREIGN MARKET THEORY

If there was any merit in the argument that foreign markets spell prosperity for the farmer, he should have prospered to an unprecedented degree during the latter part of 1920 and in 1921. Exports of American farm products for the year 1921 were the greatest in American history. The total exports of American grains (wheat, corn, rice, rye, barley, and oats) during the year 1921 were higher than any year prior to the World War. The exports of wheat during the year 1921 were five times the exports of the five-year period, 1909-1913. The export of corn in 1921 was 120,000,000 bushels against a five-year average of only 41,000,000 bushels for the pre-war period of 1909-1913. The exports of meat products in 1921 were 80 per cent greater than for the five-year period 1909-1913. The exports of dairy products for 1921 were eleven times the exports of any year prior to the World War.

And what, actually, was the condition of the farmer during this year of unprecedented world trade? Was he evidencing the validity of the "foreign market" theory of prosperity? Was he prosperous? No. In 1921, he went "dead broke" because of low prices, the result of prevailing conditions in his home market and the low prices in foreign markets. During this period of the greatest quantity of agricultural exports ever known, there were more than 5,000,000 American wage earners out of a job, their buying power cut off. Hon. JAMES W. COLLIER, a present member of this committee representing the eighth district in Mississippi and a leading national Democrat, in describing conditions existent at that time, said:

Here at home our troubles are economic rather than social or political. Our agricultural products are selling below the cost of their production. The purchasing power of our people is also greatly curtailed. Railroad rates are an embargo on business. Thousands are out of employment. Wages are being continually lowered. Bank credits are restricted. Our surplus products and manufactured articles are piling high for export, but there is no place for them to go. Our factories are idle and many of them closing down, for there are no purchasers to buy. Our foreign market is decreasing because the foreigner is unable to pay for what he wants. Our warehouses are full to overflowing with cotton, wool, and other products for lack of both a home and a foreign market.

FOREIGN MARKET THEORY MEANS EQUALIZATION DOWNWARD

Thus we see that foreign markets for farm products at the expense of the surrender of our home markets equalizes condi-

tions, but equalizes them down to a dead level with the low standards abroad. It is equalization downward with a vengeance. The world market is a lower market than the home market except in the exceptional periods of world shortage. As a rule, we must sell at a loss in the markets of the world, and this rule will become more pronounced and general as the production in foreign countries increases.

THE FARMER IS ON THE ROAD TO BETTER TIMES

The war's dislocation, deflation, and the Underwood Act created postwar conditions from which we are but just now recovering, but the crisis is past. The relative purchasing power of the farmer's product, though still below normal, has shown a steady increase since 1922, when it was 74 (August, 1919-July, 1914, being used as the base of 100), to 89 in 1925. With the help of wise governmental assistance, the farmers of the country, working efficiently and conscientiously to help themselves, are climbing to better times, when they will take their rightful place on a plane of equality with the other industries of the Nation and their permanent prosperity, the basis of our national prosperity, will be assured.

ADDRESS OF PRESIDENT COOLIDGE BEFORE NATIONAL COUNCIL OF THE BOY SCOUTS OF AMERICA

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein the address delivered by President Coolidge before the National Council of Boy Scouts of America.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the Record, I insert herewith the following inspiring address made by President Coolidge at Washington on the 1st of May, 1926, before the National Council of the Boy Scouts of America:

Members of the National Council of the Boy Scouts of America: The strength and hope of civilization lies in its power to adapt itself to changing circumstances. Development and character are not passive accomplishments. They can be secured only through action. The strengthening of the physical body, the sharpening of the senses, the quickening of the intellect, are all the result of that mighty effort which we call the struggle for existence. Down through the ages it was carried on for the most part in the open, out in the fields, along the streams, and over the surface of the sea. It was there that mankind met the great struggle which has been waged with the forces of nature. We are what that struggle has made us. When the race ceases to be engaged in that great strength-giving effort the race will not be what it is now—it will change to something else. These age-old activities or their equivalent are vital to a continuation of human development. They are invaluable in the growth and training of youth.

Towns and cities and industrial life are very recent and modern acquisitions. Such an environment did not contribute to the making of the race, nor was it bred in the lap of present-day luxury. It was born of adversity and nurtured by necessity. Though the environment has greatly changed, human nature has not changed. If the same natural life in the open requiring something of the same struggle, surrounded by the same elements of adversity and necessity, is gradually passing away in the experience of the great mass of the people; if the old struggle with nature no longer goes on; if the usual environment has been very largely changed, it becomes exceedingly necessary that an artificial environment be created to supply the necessary process for a continuation of the development and character of the race. The cinder track must be substituted for the chase.

Art therefore has been brought in to take the place of nature. One of the great efforts in that direction is represented by the Boy Scout movement. It was founded in the United States in 1910. In September of that year the organization was given a great impetus by the visit of the man whom we are delighted to honor this evening, Sir Robert Baden-Powell. This distinguished British general is now known all over the world as the originator of this idea. That it has been introduced into almost every civilized country must be to him a constant source of great gratification. The first annual meeting was held in the East Room of the White House in February, 1911, when President Taft made an address, and each of his successors has been pleased to serve as the honorary president of the association. It has been dignified by a Federal charter granted by the Congress to the Boy Scouts of America in 1916, and thereby ranks in the popular mind with the only two other organizations which have been similarly honored, the Red Cross and the American Legion.

The Boy Scouts have been fortunate in enlisting the interest of prominent men of our country to serve as the active head of the organization. For the current year that position was held by no less a figure than the late James J. Storrow. His untimely taking off was a sad experience to all of us who knew him. I cherished

him personally as a friend. I admired him for the broad public spirit that he always exhibited. Amid all the varied and exacting activities as one of our foremost business men, he yet found time to devote his thought and energy and personal attention to the advancement of this movement. His memory will constantly bring to us all that sentiment which he uttered in the New Year message that he gave to the scouts, in expressing the hope that it might bring "A more vivid realization that it is the spirit and the spiritual sides of life that count."

The more I have studied this movement, its inception, purposes, organization, and principles, the more I have been impressed. Not only is it based on the fundamental rules of right thinking and acting but it seems to embrace in its code almost every virtue needed in the personal and social life of mankind. It is a wonderful instrument for good. It is an inspiration to you whose duty and privilege it is to widen its horizon and extend its influence. If every boy in the United States between the ages of 12 and 17 could be placed under the wholesome influences of the scout program and should live up to the scout oath and rules, we would hear fewer pessimistic words as to the future of our Nation.

The boy on becoming a scout binds himself on his honor to do his best, as the oath reads:

"1. To do my duty to God and my country, and to obey the scout law.

"2. To help other people at all times.

"3. To keep myself physically strong, mentally awake, and morally straight."

The 12 articles in these scout laws are not prohibitions, but obligations; affirmative rules of conduct. Members must promise to be trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent. How comprehensive this list! What a formula for developing moral and spiritual character! What an opportunity for splendid service in working to strengthen their observance by all scouts and to extend their influence to all boys eligible for membership! It would be a perfect world if everyone exemplified these virtues in daily life.

Acting under these principles, remarkable progress has been made. Since 1910, 3,000,000 boys in the United States have been scouts—one out of every seven eligible. Who can estimate the physical, mental, and spiritual force that would have been added to our national life during this period if the other six also had been scouts?

On January 1, 1926, there was an enrollment of nearly 600,000 boys, directed by 165,000 volunteer leaders and divided among 23,000 troops. Such is the field that has been cultivated. The great need now is for more leaders, inspired for service and properly equipped to carry out the program. It is estimated that 1,000,000 additional boys could be enrolled immediately if adequate leadership could be provided. We can not do too much honor to the 500,000 men who in the past 16 years have given freely of their time and energy as scout masters and assistant scout masters. Such service is service to God and to country. The efforts to get more devoted volunteers and to find and train those fitted and willing to make this their life work is worthy of the most complete success.

Because the principles of this movement are affirmative, I believe they are sound. The boy may not be merely passive in his allegiance to righteousness. He must be an active force in his home, his church, and his community. Too few people have a clear realization of the real purposes of the Boy Scouts. In the popular mind the program is arranged for play, for recreation, is designed solely to utilize the spare time of the boy in such a way that he may develop physically while engaged in pleasurable pursuits. This is but a faint conception, one almost wholly misleading. The program is a means to an end. Its fundamental object is to use modern environment in character building and training for citizenship.

Character is what a person is; it represents the aggregate of distinctive mental and moral qualities belonging to an individual or a race. Good character means a mental and moral fiber of high order, one which may be woven into the fabric of the community and State, going to make a great nation—great in the broadest meaning of that word.

The organization of the scouts is particularly suitable for a representative democracy such as ours, where our institutions rest on the theory of self-government and public functions are exercised through delegated authority. The boys are taught to practice the basic virtues and principles of right living and to act for themselves in accordance with such virtues and principles. They learn self-direction and self-control.

The organization is not intended to take the place of the home or religion, but to supplement and cooperate with those important factors in our national life. We hear much talk of the decline in the influence of religion, of the loosening of the home ties, of the lack of discipline—all tending to break down reverence and respect for the laws of God and of man. Such thought as I have been able to give to the subject and such observations as have come within my experience have convinced me that there is no substitute for the influences of the home and of religion. These take hold of the innermost nature of the indi-

vidual and play a very dominant part in the formation of personality and character. This most necessary and most valuable service has to be performed by the parents, or it is not performed at all. It is the root of the family life. Nothing else can ever take its place. These duties can be performed by foster parents with partial success, but any attempt on the part of the Government to function in these directions breaks down almost entirely. The Boy Scout movement can never be a success as a substitute, but only as an ally of strict parental control and family life under religious influences. Parents can not shift their responsibility. If they fail to exercise proper control, nobody else can do it for them.

The last item in the scout "duodecalogue" is impressive. It declares that a scout shall be reverent. "He is reverent toward God," the paragraph reads. "He is faithful in his religious duty—respects the convictions of others in matters of custom and religion." In the past I have declared my conviction that our Government rests upon religion; that religion is the source from which we derive our reverence for truth and justice, for equality and liberty, and for the rights of mankind. So wisely and liberally is the Boy Scout movement designed that the various religious denominations have found it a most helpful agency in arousing and maintaining interest in the work of their various societies. This has helped to emphasize in the minds of youth the importance of teaching our boys to respect the religious opinions and social customs of others.

The scout theory takes the boy at an age when he is apt to get ensnared in the complexities and false values of our latter-day life, and it turns his attention toward the simple, the natural, the genuine. It provides a program for the utilization of his spare time outside his home and school and church duties. While oftentimes recreational, it is in the best sense constructive. It aims to give a useful outlet for the abundant energies of the boy, to have valuable knowledge follow innate curiosity, to develop skill and self-reliance—the power to bring things to pass—by teaching one how to use both the hand and the head. In the city-bred boy is developed love for the country, a realization of what nature means, of its power to heal the wounds and to soothe the frayed nerves incident to modern civilization. He learns that in the woods and on the hillside, on the plain, and by the stream, he has a chance to think about the eternal verities, to get a clarity of vision—a chance which the confusion and speed of city life too often renders difficult, if not impossible, of attainment. There is a very real value in implanting this idea in our boys. When they take up the burdens of manhood they may be led to return to the simple life for periods of physical, mental, and spiritual refreshment and reinvigoration.

Scouting very definitely teaches that rewards come only after achievement through personal effort and self-discipline. The boy enters as a tenderfoot. As he develops he becomes a second-class scout and then a first-class scout. Still there is before him the opportunity, in accordance with ability and hard work, to advance and get merit badges for proficiency in some 70 subjects pertaining to the arts, trades, and sciences. It is interesting to learn that in the year 1925, 195,000 merit badges were awarded as compared with 140,000 in 1924. Twenty-one such awards make the boy an "eagle scout," the highest rank. Not only does one learn to do things, but in many instances he learns what he can do best. He is guided to his life work. Vocational experts will tell you in dollars and cents what this means to society where so often much valuable time and effort is wasted by the young before they have tested, proven, and trained their individual powers.

The boy learns "to be prepared." This is the motto of the scouts. They are prepared to take their proper place in life, prepared to meet any unusual situation arising in their personal or civic relations. The scout is taught to be courageous and self-sacrificing. Individually he must do one good deed each day. He is made to understand that he is a part of organized society; that he owes an obligation to that society. Among the many activities in which the scouts have rendered public service are those for the protection of birds and wild life generally, for the conservation of natural resources, reforestation, for carrying out the "Safety first" idea. They have taken part in campaigns for church cooperation, in drives against harmful literature, and the promotion of an interest in wholesome, worth-while reading. In many communities they have cooperated with the police and fire departments. In some instances they have studied the machinery of government by temporary and volunteer participation in the city and State administration. During the war they helped in the Liberty-loan campaigns, and more recently they have assisted in "Get out the vote" movements.

All of this is exceedingly practical. It provides a method both for the training of youth and adapting him to modern life. The age-old principle of education through action and character through effort is well exemplified, but in addition the very valuable element has been added of a training for community life. It has been necessary for society to discard some of its old individualistic tendencies and promote a larger liberty and a more abundant life by cooperative effort. This theory has been developed under the principle of the division of labor, but the division of labor fails completely if any one of the divisions ceases to function.

It is well that boys should learn that lesson at an early age. Very soon they will be engaged in carrying on the work of the world. Some will enter the field of transportation, some of banking, some of industry, some of agriculture; some will be in the public service, in the police department, in the fire department, in the Post Office Department, in the health department. The public welfare, success, and prosperity of the Nation will depend upon the proper coordination of all these various efforts and upon each loyally performing the service undertaken. It will no longer do for those who have assumed the obligation to society of carrying on these different functions to say that as a body they are absolutely free and independent and responsible to no one but themselves. The public interest is greater than the interest of any one of these groups, and it is absolutely necessary that this interest be made supreme. But there is just as great a necessity on the part of the public to see that each of these groups is justly treated. Otherwise, government and society will be thrown into chaos. On each one of us rests a moral obligation to do our share of the world's work. We have no right to refuse.

The training of the Boy Scouts fits them to an early realization of this great principle and adapts them in habits and thoughts and life to its observances. We know too well what fortune overtakes those who attempt to live in opposition to these standards. They become at once rightfully and truly branded as outlaws. However much they may boast of their freedom from all restraints and their disregard of all conventionalities of society, they are immediately the recognized foes of their brethren. Their short existence is lived under greater and greater restrictions, in terror of the law, in flight from arrest, or in imprisonment. Instead of gaining freedom, they become the slaves of their own evil doing, realizing the scriptural assertion that they who sin are the servants of sin and that the wages of sin is death. The Boy Scout movement has been instituted in order that the youth, instead of falling under the domination of habits and actions that lead only to destruction, may come under the discipline of a training that leads to eternal life. They learn that they secure freedom and prosperity by observing the law.

This is but one of the many organizations that are working for good in our country. Some of them have a racial basis, some a denominational basis. All of them in their essence are patriotic and religious. Their steady growth and widening influence go very far to justify our faith in the abiding fitness of things. We can not deny that there are evil forces all about us, but a critical examination of what is going on in the world can not fail to justify the belief that wherever these powers of evil may be located, however great may be their apparent extent, they are not realities, and somewhere there is developing an even greater power of good by which they will be overcome.

We need a greater faith in the strength of right living. We need a greater faith in the power of righteousness. These are the realities which do not pass away. On these everlasting principles rests the movement of the Boy Scouts of America. It is one of the growing institutions by which our country is working out the fulfillment of an eternal promise.

FARM RELIEF

Mr. NELSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks on the Haugen bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. NELSON of Missouri. Mr. Speaker, my views on agricultural legislation were fairly well set forth in a speech made on March 26, at which time I offered some definite suggestions. I then stated that the tariff should be reduced, inland waterways improved, freight rates lowered, government more economically administered, and antitrust laws strengthened. At the same time I pledged my support to any sound and workable farm-aid proposition having the indorsement of the farmers of America.

While not a member of the party in absolute control and which has power to pass or defeat any farm relief measures, I feel it my duty to assist in putting through helpful legislation, even though it may not in all respects meet with my approval. One would be foolish to refuse to enter a protecting house in time of storm merely because he could not go through the door he preferred. Remembering the terrible plight of the farmer, the demoralized and distressed condition of agriculture, I am at this time more interested in effective farm relief than in some minor question of party regularity.

Believing firmly as I do in the principles of the party to which I belong, I yet recognize that in a crisis the good of all the people is paramount to the advantage of any political party.

We might as well face the facts. The present Republican Congress will give no relief to the farmer in the way of a reduction of the tariff. In the workings of the Haugen bill there is afforded a means whereby the hurtful effects of the high protective tariff may in a manner be neutralized or offset, at least

for the time being. It is wiser to recognize this than foolishly butt our heads against a stone wall and refuse to do anything for the farmer merely because we can not do it in our own way, even though we firmly believe our way best.

About the Haugen bill, as reported, there are features with which I am not in accord, but I have every confidence that changes and corrections will be made, some of these having already been proposed.

I have said that I am not in favor of some features of the bill under discussion, but I note that there are admissions which I am glad to have made by the advocates of a high protective tariff. The bill as drawn is a confession that without some artificial prop it is impossible to make the tariff as effective for agriculture as it is for industry. In other words, there is the public acknowledgment that ever since the present Fordney-McCumber tariff bill was written there has been a studied attempt to fool the farmer.

If it were true that a high protective tariff could be made as effective on leading agricultural products of which we produce a surplus as on manufactured articles, the remedy for the present condition would be simple. All that would have to be done would be to raise tariff rates on wheat, corn, cattle, and other grains and livestock, maybe raise them "high as a woodpecker's hole," and everybody would be happy. But nobody, not even the most ardent high protective tariff advocate, has proposed such a ridiculous remedy.

Many have objected to the Haugen bill, alleging that it calls for a subsidy. I prefer to think of it as providing a vehicle by which the farmer may, for the time being, secure necessary working capital from the National Treasury, this representing only about one-half the amount which the high protective tariff annually takes out of his pocket. If this be a subsidy, then let the protected interests, which have for years enjoyed a subsidy many times greater, make the most of it. Let those who have stood for other subsidies do the same. What is sauce for the goose should be sauce for the gander.

The equalization fee, so called, as contained in the Haugen bill has been repeatedly referred to as a tax. As I see it, it may be likened to the "tax" one pays when he meets the premiums on his life-insurance policies. These premiums we pay for protection and because eventually we will get back more than we put in. We do not think of them as a tax. Let me make the further illustration. In practically every county in the district which I represent—and I might say in every county in the State—are farmers' mutual fire-insurance companies which provide insurance at actual cost. From time to time the policyholders pay in small amounts in the way of assessments. They do not think of these assessments as taxes. They know that in case their houses, barns, or other buildings are burned, they will be reimbursed, and they have the satisfaction of knowing that they are protected all the time. Just so with the payment of an equalization fee, as provided for in the Haugen bill. To my mind, those who refer to it as a tax do not think the matter through.

The present problem, representing trouble for the party in power, is of several years' standing. From time to time the fires have smoldered, only again and again to be kindled into flames. The speech of President Coolidge made early in December before the American Farm Bureau Federation in Chicago, and in which he virtually defied the farmer, marked the beginning of the present agricultural protest. That speech by the Chief Executive caused more kick and started a bigger fire than did the kick of O'Leary's cow, said to be responsible for the great fire which started in the same city on the lake.

Personally I have never found great fault with the results of the President's Chicago speech, which made farmers fighting mad. If that speech had not been delivered, this fight, absolutely just and voicing the protest of an oppressed people, might not now be in progress. This fire, which has produced heat sufficient to fuse many farm organizations into one mighty mass, might not have been started.

The President, like other spokesmen for his party, for a long time argued that conditions would right themselves. The working of economic laws, we were assured, would solve the problem. Were not these laws working in 1921, when net capital invested in farming showed a return of 3.6 per cent less than nothing; in 1922, when the return was 1.7 per cent less than nothing; in 1923, when the farm owner "enjoyed," if we may use the term, a return of 1.7 per cent; in 1924, when the returns were but 1.5 per cent; and in 1925, when the farmer owner realized a return of 3.6 per cent? As showing the more recent drift, we might quote from the latest report of the United States Department of Agriculture. Here, comparing farm prices on March 15 of the present year with prices on March 15, 1925, we find that wheat is 18 cents a bushel lower; corn, 45

cents a bushel lower; oats, 11 cents a bushel lower; barley, 30 cents a bushel lower; rye, 51 cents a bushel lower; while cotton and wool are each 8 cents a pound lower.

I leave it to the opponents of all farm-relief legislation, to those who demand of the farmer that he make brick without straw, to say just how long at present rates it will require for him to get on his feet.

Economists have variously estimated the number of cents in the farmer's depreciated dollar, while in fact, as shown by Government figures, he had, during much of the time, no dollar at all.

In Missouri, according to the latest reports at hand, 26 banks have failed since the first of the year. Two of these institutions were in my old home county. They were well managed—managed by honest and capable men—yet because of farm conditions these banks were forced to close their doors.

As this debate progresses from day to day we hear charges and countercharges; there are criminations and recriminations; men's motives are impugned; plays are made to prejudice and often to passion. Every subterfuge is being resorted to in order to defeat real farm-relief legislation.

Less than one-half of 1 per cent of the time in general debate was consumed by the opposition in an effort to perfect any bill, while more than 99½ per cent was taken up in an effort to discredit all proposed legislation. New Jersey, with her flocks and droves, not of cattle and hogs but of mosquitoes, has spoken; New York City, her livestock represented by "bulls" and "bears," has been heard. Powerful have been the pleas made in behalf of the "farmer" who farms the farmer. Statesmen from the cities, some of them having no more direct connection with agriculture than is represented by the prosperous "lamb" shearing works on Wall Street, talk glibly but not knowingly of actual farm conditions. Some pose as learned economists. Perhaps they are, but I doubt if they would know the difference between a lap ring and a clevis or if they could plow a furrow any straighter than their line of thought. They might possibly discourse learnedly on how many miles one can make on a gallon of gasoline in a costly car, but they know nothing about how many gallons of milk one can get from a common cow.

I have wondered what the farmer on the tractor or behind the team would think of such talk were he here in the galleries. Unfortunately he is not here. It is his busy season of the year. Back home, working twice eight hours a day, he is plowing and planting in order that the cities may not go hungry.

Opponents of the Haugen bill have found fault with it, both because it will not work and because it will work too well. As I have listened the thought has come to me that Uncle Sam might well establish here in the National Capital a college of consistency and a university of unlearning.

Again, it has seemed to me that the old idea that the only way to lead a farmer is to pull his leg still finds lodgment in many minds. Out in Missouri we would know better than try to lead a mule in this manner.

Representatives of farm organizations who came to Washington, came as openly and as honorably as ever came advocates of a high protective tariff, railroad legislation, ship subsidies, or other laws, have by some been represented as vicious or unworthy of trust and confidence. On the Republican side reference has been made to the—

twenty-two wise men who came out of the West claiming to represent all the farmers of 11 States and who were long on demands but short on information.

Gentlemen who know but little of actual farm conditions as they have been during the last four or five years have found fault with the farmer, alleging that he did not exercise due intelligence in planning and planting his crops.

It is easy to criticize. It may be true that many farmers have not practiced the most approved methods of crop rotation, and that frequently they have attempted to farm more land than might have been wise, but when the wolf is at the door, when there is interest to meet, and when debts are piling up the farmer can not stop to ask whether or not practices are "economically sound." Frequently there has been wrong rotation or overplanting in order to save the home, which in many cases was later lost. Unlike the manufacturer, the farmer can not curtail production at pleasure. Maybe he will not make expenses on the crop he plants, but he knows that idle ground will not pay interest and taxes.

He who intimates that the farmer is a fool, or even that he is selfish, does him a gross injustice. In all the world there is no more patriotic individual than the American farmer. During the war, while keeping the flag flying in the front yard, he was making the dirt fly in the back field. He produced, produced, produced. Then came the utter collapse, brought

about in part by his unselfish response to a great patriotic appeal.

I know this farmer. I understand him as the man who was not born and reared on a farm and whose life has not been devoted to the cause can never understand him. The man on the farm wants only justice, and too often he has not even insisted upon this. Knowing all this as I do, I can but resent the unfair fight and the gross misrepresentations that have been made against him on this floor.

I was born and reared on a farm. My life has been devoted to the cause of agriculture. I represent, in the main, a farm constituency. My sympathy is with the man who tills the soil. My people are farmers. Back on the old home farm in Missouri to-day live my widowed mother, now in her seventy-eighth year, frail yet courageous, and my youngest brother. Yesterday I had a letter from that little mother—God bless her—and in it she wrote:

The men are up at 4 o'clock, and your brother goes in a run when he gets up from the table and hurries to harness the horses. I am up at 5, at which time the milk is ready for me to strain.

There was more as to farm activities, yet no word of complaint. So do you wonder that my blood has boiled as I have listened to some of the things said in debate?

Yesterday I received another letter, this from a fine, progressive farmer who owns a good place in what is known as Lone Elm Prairie, a choice farming region in the heart of Missouri, and settled largely by excellent people of German descent. After a most intelligent discussion of the farm question, this man wrote:

As you know, I am a Republican; but if we farmers can not get any help from the Government to get started in our efforts to give us a dollar that will buy as much as organized labor and other industries, then there is but one thing to do; that is, to knock the tariff wall down with sledge-hammer votes in the future, regardless of politics. It is sure coming to this sooner or later.

I find no fault with my colleagues who honestly and conscientiously do not see things as I do. We are all more or less influenced by conditions and all absorb something of the environment in which we live. Yet it is difficult to understand how anyone representing a farm constituency in such sore straits as are the farmers of the Corn Belt can oppose farm-relief legislation at this time when so many are bankrupt and others are facing certain ruin.

While I appreciate the viewpoint of the man from the city who objects to this legislation on the ground that it would mean increased prices for farm produce, I would remind him that the cities can not long continue to prosper when the farm fails. The man who is broke is a poor buyer. If conditions continue, if the drift from the country to the cities keeps up, eventually there will be left on our farms an insufficient number of producers to feed those in the cities. Then food prices will rise, rise to a point far beyond any which the most optimistic advocate of the Haugen bill believes it possible to bring about through the passage of this measure. But that would be a disastrous day. Grim-visaged want would stalk the streets of our cities and hunger would haunt many an urban home. As an advocate of this bill, I would prevent the coming of such a crisis; I would stay such suffering.

After all, we are one people and more or less dependent upon each other. The city needs the country and the country the city. With proper sympathy and understanding and with politics and prejudice laid aside, real farm relief should come.

Just one word further. It has been intimated that if Government assistance as proposed in the Haugen bill were provided, the time would come when the American farmer, like the British laborer of to-day, would go on a strike. Such an insinuation I resent with all my strength. It is an insult and does the farmer an injury. A red flag never floated from an American farm home.

There will be no strike on the part of the farmers of America. They will continue to do their best just as they have always done. But I beg that justice be done this man who believes in justice. I want you to think of the farm home as being more than a filling station, more than a place where city folks secure food. I want you to think of it as a service station, from which comes the strength of the manhood and womanhood of America. I want you to help save that farm home, to save it in order that, through the centuries, the cities may survive.

No, I do not see in the Haugen bill, or in any other measure before the House, my ideal. None of these represent the way I would prefer to go about solving the farm problem. I would begin at the other end; I would wipe out every subsidy; I would in so far as possible provide equality of

opportunity. But to meet the present emergency, to secure any immediate farm relief, I gladly join in the program as proposed. The day for parleys is past. There is not time to put into effect other proposals. Something must be done now.

DAMS IN THE MINNESOTA NATIONAL FOREST

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 292, and agree to the Senate amendment.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 292, and agree to the Senate amendment. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 292) to authorize the Secretary of Agriculture to acquire and maintain dams in the Minnesota National Forest needed for the proper administration of Government land and timber.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

REPEAL AN ACT PROVIDING FOR THE CHANGE OF ENTRY

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5242, and agree to the Senate amendments.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take from the Speaker's table the bill H. R. 5242, and agree to the Senate amendments. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 5242) to repeal an act approved January 27, 1922, providing for the change of entry, and for other purposes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

CONVEYANCE OF CERTAIN LAND FOR PARK PURPOSES

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7482, and to disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take from the Speaker's table the bill H. R. 7482, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7482) to provide for the conveyance of certain lands in the State of Michigan for State park purposes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the conferees.

The Clerk read as follows:

Mr. SINNOTT, Mr. SMITH, and Mr. DRIVER.

BRIDGE ACROSS MONONGAHELA RIVER

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8513, and to agree to the Senate amendments.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8513, and agree to the Senate amendments. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 8513) to extend the time for the construction of a bridge across the Monongahela River at or near the borough of Wilson in the county of Allegheny, Pa.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4017. An act for the relief of Russell & Tucker and certain citizens of the State of Texas; and

S. 2826. An act for the construction of an irrigation dam on Walker River, Nev.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 8306. An act to authorize the coinage of 50-cent pieces in commemoration of the heroism of the fathers and mothers who traversed the Oregon Trail to the far West with great hardship, daring, and loss of life, which not only resulted in adding new States to the Union but earned a well-deserved and imperishable fame for the pioneers; to honor the 20,000 dead that lie buried in unknown graves along 2,000 miles of that

great highway of history; to rescue the various important points along the old trail from oblivion; and to commemorate by suitable monuments, memorial or otherwise, the tragic events associated with that emigration, erecting them either along the trail itself or elsewhere in localities appropriate for the purpose, including the city of Washington;

H. R. 306. An act to amend the second section of the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917, as amended;

H. R. 11171. An act to authorize the deposit and expenditure of various revenues of the Indian service as Indian moneys, proceeds of labor;

H. R. 10610. An act to confirm the title to certain lands in the State of Oklahoma to the Sac and Fox Nation or Tribe of Indians;

H. R. 10202. An act granting an extension of patent to the United Daughters of the Confederacy;

H. R. 9829. An act to amend section 87 of the Judicial Code.

H. R. 9730. An act to provide for an adequate water-supply system at the Dresslerville Indian colony;

H. R. 9559. An act granting certain public lands to the city of Altus, Okla., for reservoir and incidental purposes;

H. R. 9351. An act extending the period of time for homestead entries on the south half of the diminished Colville Indian Reservation;

H. R. 8534. An act to amend an act entitled "An act to authorize the purchase by the city of McMinnville, Oreg., of certain lands formerly embraced in the grant to the Oregon & California Railroad Co. and revested in the United States by the act approved June 9, 1916," approved February 25, 1919 (40 Stat. p. 1153);

H. R. 6239. An act to authorize acting registers of United States land offices to administer oaths at any time in public-land matters;

H. R. 5726. An act for the relief of Jane Coates, widow of Leonard R. Coates;

H. R. 5710. An act extending the provisions of section 2455 of the United States Revised Statutes to ceded lands of the Fort Hall Indian Reservation;

H. R. 5673. An act authorizing the Secretary of the Interior to issue letters patent to George K. Hughes;

H. R. 5006. An act to detach Hickman County from the Nashville division of the middle judicial district of the State of Tennessee and attach the same to the Columbia division of the middle judicial district of said State;

H. R. 4631. An act providing for the issuance of patent to the Boyle Commission Co. for block No. 223, town site of Heyburn, Idaho;

H. R. 3990. An act for the erection of a monument upon the revolutionary battle field of White Plains, State of New York;

H. R. 3745. An act to amend section 96, chapter 5, of the act of Congress of March 3, 1911, entitled "The Judicial Code";

H. R. 3659. An act for the relief of the Custer Electric Light, Heat & Power Co., of Custer, S. Dak.;

H. R. 3025. An act granting a patent to certain land to Benjamin A. J. Funnemark;

H. R. 2933. An act for the relief of H. R. Butcher;

H. R. 2680. An act for the relief of the estate of Charles M. Underwood;

H. R. 2011. An act for the relief of William D. McKeefrey;

H. R. 1897. An act for the relief of the heirs of the late Louis F. Meissner;

H. R. 1731. An act for the relief of John W. King;

H. R. 1669. An act for the relief of Neffs' Bank, of McBride, Mich.;

H. R. 1540. An act for the relief of Luther H. Phipps;

H. R. 1243. An act for the relief of J. H. Toulouse; and

H. R. 10425. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1927, and for other purposes.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 8313. An act to allot lands to living children on the Crow Reservation, Mont.;

H. R. 9463. An act to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes;

H. R. 9872. An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February, 1925;

H. R. 9875. An act to amend an act entitled "An act authorizing the Secretary of the Treasury to sell the United States marine hospital reservation and improvements thereon at Detroit, Mich., and to acquire a suitable site in the same locality and to erect thereon a modern hospital for the treatment of the beneficiaries of the United States Public Health Service, and for other purposes," approved June 7, 1924;

S. 85. An act to correct the status of certain commissioned officers of the Navy appointed thereto pursuant to the provisions of the act of Congress approved June 4, 1920;

S. 96. An act to amend the national defense act approved June 3, 1916, as amended by the act of June 4, 1920, relating to retirement;

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve;

S. 1480. An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American Republics in military and naval matters;

S. 952. An act authorizing the Secretary of the Navy to deliver to the State of Georgia the silver service presented to the United States for the battleship *Georgia*;

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease;

S. 2876. An act for the purchase of a tract of land adjoining the United States target range at Auburn, Me.;

S. 3080. An act to authorize payment of expenses of the Washington-Alaska military cable and telegraph system out of receipts of such system as an operating expense; and

S. 3550. An act providing for an inspection of the Kennesaw Mountain and Lost Mountain and other battle fields in the State of Georgia.

SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2826. An act for the construction of an irrigation dam on Walker River, Nev.; to the Committee on Irrigation.

S. 4017. An act for the relief of Russell and Tucker and certain other citizens of the State of Texas; to the Committee on Claims.

S. 3630. An act to permit the United States to be made a party defendant in certain cases; to the Committee on the Judiciary.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. FRENCH. Mr. Speaker, I call up the conference report on the bill H. R. 7554, the naval appropriation bill, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Idaho calls up the conference report on the naval appropriation bill and asks that the statement be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7554) "making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 11, 24, 25, 30, 31, 32, 34, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 8, 9, 10, 12, 18, 33, and 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "except that in unusually meritorious cases of one position in a grade advances may be made to rates higher than the average of the compensation rates of the grade but not more often than once in any fiscal year and then only to the next higher rate"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2,

and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and photostating, for department library; for"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$185,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,664,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$19,150,000," and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$16,950,000," and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$66,436,727," and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$119,863,500," and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$19,207,000," and the Senate agree to the same.

Amendment numbered 19. That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$13,950,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu matter inserted by said amendment strike out the word "nine" and insert in lieu thereof the word "eight"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Naval base, San Diego, Calif.: Construction of complete section of extensible pier (limit of cost \$250,000), \$100,000."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$6,553,686, including not to exceed \$400,000 for the maintenance, operation, and repair, exclusive of classified employees, of the Naval Air Station, Lakehurst, N. J., and the aircraft *Los Angeles*, and"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$655,288"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 20, 27, 28, 29, and 37.

BURTON L. FRENCH,
GUY U. HARDY,
JOHN TABER,
W. A. AYRES,
W. B. OLIVER,

Managers on the part of the House.

FREDERICK HALE,
L. C. PHIPPS,
GEO. WHARTON PEPPER,
CLAUDE A. SWANSON,
CARTER GLASS,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 1, relating to the limitation on the payment of salaries under the classification act: Provides that in unusually meritorious cases of one position in a grade, advances may be made to rates higher than the average of the compensation rates of the grade, but not more often than once in any fiscal year and then only to the next higher rate, as proposed by the Senate.

On Nos. 2 and 3, relating to the appropriation for contingent expenses, Navy Department: Makes the first clause of the appropriation applicable to the department library, as proposed by the House, modified to include photostating, and makes the second clause of the appropriation applicable to the preparation for publication of the naval records of the war with the Central Powers of Europe, as proposed by the House, instead of making such clause and the first clause both applicable to the department library, as proposed by the Senate.

On Nos. 4 and 5, relating to the appropriation "Pay, Miscellaneous": Fixes the limitation on communication expenditures at \$185,000, instead of \$170,000, as proposed by the House, and \$195,000, as proposed by the Senate, and appropriates \$1,550,000, as proposed by the House, instead of \$1,575,000, as proposed by the Senate.

On Nos. 6 and 7, relating to the appropriation for transportation and recruiting, Bureau of Navigation: Makes permanent law of the provision regulating the transportation charges for officers of the Navy performing travel on Government-owned vessels, and appropriates \$4,664,000 instead of \$4,594,000, as proposed by the House, and \$4,700,000, as proposed by the Senate.

On Nos. 8 and 9, relating to the Naval Reserve: Raises the limitation on expenditures in connection with reserve aviation from \$509,245, as proposed by the House, to \$520,720, as proposed by the Senate, and raises the limitation on expenditures from the reserve appropriation for fuel and for the maintenance, operation, repair, and upkeep of vessels and aircraft assigned for training the Naval Reserve from \$1,015,870, as proposed by the House, to \$1,124,252, as proposed by the Senate.

On Nos. 10 and 11, relating to Naval Reserve Officers' Training Corps: Defines the type of passenger-carrying vehicles as "motor propelled," and appropriates \$40,000, as proposed by the House, instead of \$45,000, as proposed by the Senate.

On No. 12: Removes the restriction proposed by the House on salary increases for employed inmates of the Naval Home, Philadelphia, Pa., as proposed by the Senate.

On No. 13: Appropriates \$19,150,000 for "Engineering," instead of \$18,730,000, as proposed by the House, and \$19,500,000, as proposed by the Senate.

On No. 14: Appropriates \$16,950,000 for "Construction and repair of vessels," instead of \$16,780,000, as proposed by the House, and \$17,100,000, as proposed by the Senate.

On Nos. 15 and 16, relating to the appropriation "Pay of the Navy": Appropriates \$119,863,500, instead of \$119,613,500, as proposed by the House, and \$120,113,500, as proposed by the Senate, and thereby makes provision for an average enlisted strength of 82,500 men.

On No. 17: Appropriates \$19,207,000 for "Provisions, Navy," instead of \$19,114,000, as proposed by the House, and \$19,300,000, as proposed by the Senate.

On No. 18: Corrects the phraseology of the "naval working fund," as proposed by the Senate.

On No. 19: Appropriates \$13,950,000 for "Fuel and transportation," instead of \$13,000,000, as proposed by the House, and \$14,750,000, as proposed by the Senate.

On No. 21: Makes provision for the purchase, maintenance, repair, and operation of not to exceed eight passenger-carrying vehicles for the Navy Department, proper, instead of nine such vehicles for said department, as proposed by the Senate.

On No. 22: Appropriates \$100,000 for the construction of a complete section of an extensible pier at the naval base, San Diego, Calif., to cost \$250,000, instead of a like amount for water-front development at said base, to cost \$1,010,000, as proposed by the Senate.

On Nos. 23 to 26, both inclusive, and No. 30, relating to the appropriation "Aviation, Navy": Allocates \$6,553,686 for maintenance, repair, and operation of aviation activities, ashore and afloat, instead of \$6,278,686, as proposed by the House, and

\$6,928,686, as proposed by the Senate, and limits expenditures from such sum on account of the Naval Air Station, Lakehurst, N. J., and the dirigible *Los Angeles*, exclusive of classified employees, to \$400,000; limits expenditures for the procurement of helium to \$300,000, as proposed by the House, instead of \$500,000, as proposed by the Senate; allocates \$1,928,000 to experimentation, as proposed by the House, instead of \$1,628,000, as proposed by the Senate; allocates \$655,288 for pay of classified employees, instead of \$608,000, as proposed by the House, and \$675,000, as proposed by the Senate, and strikes out the proposals of the Senate designed to prevent the purchase of dirigibles abroad or from citizens of foreign governments and the building of dirigibles in the absence of specific authorization.

On Nos. 31 and 34, inclusive, relating to the Marine Corps: Appropriates \$55,000 for pay and allowances of Marine Corps Reserve, other than transferred and assigned men, as proposed by the House, instead of \$84,653, as proposed by the Senate, and makes permanent law of the provision regulating the transportation charges for officers of the Marine Corps performing travel on Government-owned vessels.

On No. 35: Strikes out the appropriation of \$12,500 proposed by the Senate for the Marine Corps Reserve Officers' Training Corps.

On No. 36: Strikes out a comma in the paragraph relative to the purchase of letters patent, as proposed by the Senate.

The committee of conference have not agreed upon the following amendments of the Senate:

On No. 20: Relating to funeral expenses of retired officers and enlisted men of the Navy and Marine Corps and transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who die in naval hospitals.

On No. 27: Appropriating \$4,962,500 for new construction and procurement of aircraft and equipment.

On No. 28: Authorizing contracts to be entered into for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$4,100,000.

On No. 29: Authorizing the settlement of claims for damages to private property growing out of the operation of naval aircraft.

On No. 37: Relating to the performance of work in navy yards.

BURTON L. FRENCH,
GUY U. HARDY,
JOHN TABER,
W. A. AYRES,
W. B. OLIVER,

Managers on the part of the House.

Mr. FRENCH. Mr. Speaker, I think that a very short statement will suffice to indicate to the House the effect of the action taken by the conferees in the report that we are now presenting. As you have followed the statement as it has been read, the matters which were in controversy have been quite minutely described, and the statement closes by referring to several amendments put on by the Senate, to which the House conferees did not agree. The reason we did not take action upon those amendments is because under the rule governing the actions of conference committees we are not able either to agree or disagree. Therefore, we brought them back to the House and shall move to concur in all of them, with one exception, and as to that one we shall move to concur with an amendment.

The bill, as passed by the House, carried in direct appropriations \$312,312,287. The Senate added to the bill, apart from having restored thereto the appropriation of \$4,692,500 for new aircraft, which was stricken out from the bill in the House on a point of order, a total of \$4,221,153.

If the conference report be adopted and the item for new aircraft, carried in the original House bill and reinserted in the Senate, shall be restored, as I shall propose, the bill will carry in direct appropriations \$319,650,075, or \$2,375,238 more than as passed by the House, excluding the new aircraft item, and \$1,845,865 less than as passed by the Senate, and \$1,304,955 less than the Budget estimates.

Apart from the direct appropriations the bill will carry in indirect appropriations \$5,000,000, contract authorizations \$9,082,000, assuming that the House will concur in the motion, I shall make on amendment No. 28, and reappropriations \$75,000.

Thus there will be available for expenditure and obligation a grand total of \$333,807,075, contrasted with \$304,502,328 for the fiscal year now current.

The Senate increase of \$4,221,153 divides itself into major items as follows:

Engineering-----	\$770,000
Construction and repair of vessels-----	320,000
Pay, Navy-----	500,000
Provisions, Navy-----	186,000
Fuel-----	1,750,000
Pier, San Diego-----	100,000
Aviation (net)-----	417,000

These increases, which, with the exception of the San Diego item, represent the complete restoration of House cuts, involve four principles, clearly and fully set forth when the bill was before the House, namely:

Decommissioning vessels.

Reducing average enlisted strength from 83,000 to 82,000.

Buying more fuel on west coast than contemplated by estimates.

Closing Lakehurst.

The House conferees did not surrender any of these principles in conference. A compromise was necessary as to each. The effect of our action is that a smaller number of vessels will be decommissioned. We provide for an average enlisted strength of 82,500 men, we recede from \$800,000 of the cut of \$1,750,000 in fuel, and we provide for keeping Lakehurst open on a much-reduced scale.

The action that your committee recommended when this bill was brought originally to the House had not only to do with the program for the coming fiscal year but had to do with a program for the years ahead. In other words, by the end of the next fiscal year there will be available for commission the six battleships that are either undergoing major overhaul or else are to undergo such overhaul. Those battleships, then, will require for the succeeding year—1928—should they be retained in commission, the additional number of men, over the number of enlisted personnel in the Naval Establishment to-day, of 2,700. Furthermore, by the end of the coming fiscal year we shall bring into active commission the two airplane carriers, the *Lexington* and *Saratoga*.

Those two carriers will require approximately 2,340 men in addition to the men who will have to do with aviation itself and who will be detailed to those ships. In other words, in those two items alone, looking to a year from now, we shall need to provide for more than 5,000 men for the Navy for purposes other than those for which we are providing in the pending bill.

In looking ahead the question addressed itself to the committee whether or not we should, as we take on new types of ships, as the airplane carriers, add new men, new officers, and new money, or find to the extent possible the men, officers, and money within the establishment as it is to-day.

Your committee believes that we ought to follow this latter program to the extent that may be possible, and with that thought in view we proposed 82,000 men for the coming fiscal year, with the thought that we would need to add several thousand to that figure for the year following.

That is the program that, in my judgment, this country ought to adopt, and this Congress ought to indicate the beginning of the program at this time. That is what was in the mind of the House when we provided for 82,000 men, and that is what is in the minds of your conferees when we bring back the conference report with 82,500 enlisted men.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. FRENCH. Certainly.

Mr. BYRNS. I do not exactly understand the gentleman. I understand that under this conference report the number is fixed at 82,500?

Mr. FRENCH. That is correct.

Mr. BYRNS. I understand that something more than 5,000 will be required to man these other ships to which the gentleman referred. Do I understand the gentleman to say that he expected those 5,000 men to be secured from the present personnel, or the personnel that is provided for, or that later on, in a deficiency bill during the coming year, it would be necessary to make additional appropriations to take care of them?

Mr. FRENCH. No. We shall not need any further appropriations for personnel for the coming fiscal year. Three battleships of six provided for are now undergoing major overhaul, while the other three are in commission. The three that are now undergoing major overhaul will swing back into line about the 1st of next October, and about the 1st of September the three others will be turned into the yards for the major overhaul they are to undergo.

That being the case, it will enable us to go through the entire fiscal year that we are now approaching with 2,700 less men than we otherwise would need. At the beginning of the next fiscal year, however, if these ships are to be in commission, we shall need to put back the 2,700 men. In addition to that, we shall need to find men somewhere to man the airplane carriers, and for them we shall require slightly over 2,340 men.

Mr. McKEOWN. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. McKEOWN. The gentleman has made a comprehensive study of appropriations for naval affairs, but the thing I am interested in is to know whether or not in the last three or four years there has been any indication before the gentleman's committee that we are going to reduce the expenditures of the Navy or has there been the indication that we are going to continue to increase these naval appropriations and maintain a big naval program.

Mr. FRENCH. In answer to that, may I say that the Congress has authorized within the last few years the construction of two airplane carriers. Under the limitation of armaments conference, the United States may maintain a tonnage of 135,000 in airplane carriers. When the two carriers that are now approaching completion will have been completed we shall have only about three-fifths of our tonnage within our establishment under the treaty. Now, it is up to the Congress to say whether or not we shall build new airplane carriers after these two—the *Lexington* and the *Saratoga*—shall have been completed. In addition to that, a year ago the Congress authorized the construction of eight cruisers of 10,000 tons each. We have already made appropriations for two of them and in this bill carry appropriations to begin three more. Thus three other cruisers are authorized but not as yet appropriated for. In addition to that building program, we are carrying money in the present bill for fleet submarines and for gunboats, and all of those things constitute a building program which in the coming fiscal year will aggregate in money something over \$33,000,000.

Mr. McKEOWN. Will the gentleman yield further?

Mr. FRENCH. Yes.

Mr. McKEOWN. I can not understand, and I have never been able to understand, what the benefit of a disarmament conference is to the American people if it is the purpose to fix a standard at which to maintain a navy rather than a standard under which we must reduce. If it means that we are to spend millions of dollars to continue this program, what is the use of having a conference to disarm? What is the use of reducing the armaments if it means we are going to maintain the armaments and increase the armaments? I can not understand it.

Mr. FRENCH. If it had not been for the Limitation of Armaments Conference, in my judgment we would possibly be considering a naval bill carrying \$250,000,000 more for the coming fiscal year than is carried in the present bill. Now, I say further, in response to the question of my friend from Oklahoma, that the Limitation of Armaments Conference treaties do not fix a hard and fast line. Your committee could bring in a bill within the 5-5-3 program that would carry between \$100,000,000 and \$200,000,000 more annually, and still we could defend it as being within the 5-5-3 treaty. It is our purpose as we bring in these bills to try to provide for a Navy that is adequate and try to make it as easy as possible for other nations to bear their part under the treaty and not compete in naval programs within the treaty itself. The treaty does not refer to numbers of men, nor does it limit the number of ships of various types, and so it is possible for us to increase the Navy burden annually, or it is possible for us to hold it to a fairly conservative program. With the authorizations that have been made for new cruisers, for the airplane carriers that are shortly to come in as a part of the fleet, for the fleet submarines that we are providing for as a part of the Naval Establishment, unless we withdraw men from ships that are now in the service or withdraw certain ships themselves, we would need to add more men, and the cost of the Navy would necessarily increase. It is the desire of your committee to the extent possible to find the men and the money and the officers within the establishment as it has been running for the last several years.

Mr. LAZARO. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. LAZARO. The gentleman from Oklahoma should understand that at the conference on the limitation of armaments we agreed to a policy of 5-5-3, did we not?

Mr. FRENCH. That is correct, touching certain types.

Mr. LAZARO. Now, does not the gentleman think that it is the duty of Congress to appropriate enough money to carry out that idea and that the American people will stand for it?

Mr. FRENCH. Well, not in exactly the language the gentleman suggests. In other words, I think we could add \$100,000,000 or \$200,000,000 annually to the Navy and still defend ourselves as being within the 5-5-3 program, yet I do not think we ought to do it. I think we ought to do teamwork with other nations, so that all of the nations who are parties to

the treaty may maintain their rightful ratio and yet not upon the maximum scale possible to each.

Mr. LAGUARDIA and Mr. VINSON of Georgia rose.

Mr. FRENCH. I yield to the gentleman from New York next.

Mr. LAGUARDIA. I want to ask the gentleman if it is the intention of the committee that when the two carriers are in commission and the five-year aviation program is on its way, to maintain that service within the limit of men and appropriation that you now have or to come in and ask for more men and more money?

Mr. FRENCH. It will probably be impossible to do it within the limits of appropriations carried in this bill, but it is our thought we ought to approach it as nearly as possible.

Mr. LAGUARDIA. The understanding I got was that it would be carried on without additional cost as to personnel or even appropriation.

Mr. FRENCH. Well, we hope so, and we shall approach that as the ideal, though I think it may be that we can not at all times hold to such a program.

I now yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Did I understand the gentleman to say that on account of the aviation program and the putting into commission of the two airplane carriers, it is necessary to go beyond the authorized strength of 86,000 men?

Mr. FRENCH. Oh, I did not mean to say such a thing. Here is what I should have said, if I did not say it: For several years we have been proceeding on the theory we were making appropriations for 86,000 enlisted personnel. For the coming year and for the current year there will be an average of three battleships out of commission, which will take out of the needful enlisted personnel 2,700 men. With the restoration of those battleships, as they will be restored to the fleet in all probability in about a year from now, we would be asked to provide for 2,700 men for which we are making no provision for the coming year. In a year from now the airplane carriers will come in and we shall either need to add 2,340 men to the 86,000 or else find those men within the establishment for which we have been providing during the past several years. In other words, if we shall do the latter, we shall need to withdraw some of the ships that are now in commission or reduce the personnel upon them.

Mr. VINSON of Georgia. I will state to the gentleman from Idaho that the testimony before the House Committee on Naval Affairs is to the contrary; that within the authorized strength of 86,000 the Navy Department will be able to maintain the 5-5-3 ratio, keeping in commission all the ships and the personnel for the aviation force, and within the five-year period it will not even be necessary to increase the admissions to the Naval Academy in order to have sufficient officers. Let me ask the gentleman what ships the gentleman intends shall ultimately be laid up or put out of commission so he can maintain the program within the 86,000? The gentleman has to do one of two things. He has either to reduce the ships in commission or else provide more men within the five-year period, and which one does the gentleman intend to do?

Mr. FRENCH. The members of the Committee on Appropriations are not the administrative officers, and let me say that if the statement of the gentleman is correct, it bears out the argument that we advanced four years ago, that there are more men than necessary, or than needful, on the ships of the Navy, because the cry has been before our committee that we are not giving them men enough.

Mr. OLIVER of Alabama. If the gentleman from Idaho will yield, the question of the gentleman from Georgia is answered by his own statement, that the information before the Naval Affairs Committee indicates that 86,000 will be amply sufficient to maintain in commission all the ships we now have, even including those that we are now putting out in this bill, plus the new ships that are to come in. So the gentleman is asking a question about something which he has himself sufficiently answered. I want to say I fully agree with the gentleman that there will be sufficient men to be found within the number of 86,000 to keep in commission all of the ships that we are now authorizing for 1927, together with the two airplane carriers.

Mr. FRENCH. And personally I believe—

Mr. VINSON of Georgia. But the chairman of the subcommittee stated it would be necessary—

Mr. FRENCH. Just a moment. May I say that I personally think that the gentleman's statement is correct, and I should have stressed the third alternative, which is that we can find men for the airplane carriers by drawing them from stations to which they have heretofore been assigned. But the department has not felt so confident; and, in fact, in looking ahead to the commissioning of the two airplane carriers, the first estimate of the Navy Department to the Bureau of

the Budget for the coming fiscal year, as I recall, was for 89,000 men, or 3,000 above the 86,000 figure—these 3,000 men to man the carriers.

I am very anxious to conclude, Mr. Speaker, and I suggest we might take up any other items as we reach them in the conference report.

Mr. VINSON of Georgia. Will the gentleman yield for a further question?

Mr. FRENCH. Yes.

Mr. VINSON of Georgia. Then in the opinion of the gentleman from Idaho it will not be necessary to have more than 86,000 men in the Navy to maintain the aviation program and to keep all ships in commission?

Mr. FRENCH. I think that is correct.

Mr. VINSON of Georgia. That is all I desired to clear up, because I got the idea the gentleman said it would require an additional enlistment of 2,300 men within the five-year period.

Mr. FRENCH. I did not mean to be understood in that way. I think my position now must be clear that we can accomplish the manning of the carriers in one of three ways—by keeping the present number of men on the ships and then adding 2,340 more; or, second, by taking ships out of commission; or, third, by reducing the number of men on ships and stations and thereby finding men for the new types.

Mr. VINSON of Georgia. But if the gentleman will yield for one more question, does not the gentleman think it should be accomplished by doing what Congress has repeatedly said it wants done—keep the enlisted strength of the Navy up to 86,000? Then you will not be required to put out of commission any ships, and you can maintain your aviation program up to a maximum of 1,000 planes within the five-year period.

Mr. FRENCH. That will doubtless be approximately the program.

Mr. SUMMERS of Washington. Will the gentleman from Idaho yield?

Mr. FRENCH. Yes.

Mr. SUMMERS of Washington. A moment ago the gentleman made a statement which I fear will be interpreted as meaning we are not maintaining the 5-5-3 program. As a matter of fact, I think we are maintaining that program, and the gentleman means that we are maintaining it but that we might still be within a tolerance if we expended more money; is that a correct statement of the gentleman's position?

Mr. FRENCH. That is correct, and we must do teamwork with other nations.

Mr. SUMMERS of Washington. And we are maintaining the 5-5-3 ratio?

Mr. FRENCH. We believe we are.

Mr. BLACK of New York. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BLACK of New York. Are we maintaining a 5-5-3 ratio other than an artificial treaty 5-5-3 ratio? Does the new construction work or the new alteration work being done by the governments, including ours, keep us on that general basis?

Mr. FRENCH. The gentleman is familiar with the fact that in some types of ships one nation exceeds another, just as Great Britain exceeds us in cruisers and just as we exceed Great Britain in submarines. You have to take all the elements into consideration and compare them; and doing that, I think our position is secure.

Mr. BLACK of New York. Are we up to the 5-5-3 ratio?

Mr. FRENCH. I think we are.

Mr. COLLINS. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. COLLINS. How much more is the aggregate of this bill than the bill of last year for similar purposes?

Mr. FRENCH. The grand total of the current bill, if the amendments that I have to propose are adopted, will be \$333,807,075, and the current appropriation is \$304,802,328. The gentleman must remember that nearly \$34,000,000 of that is for building. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on adopting the conference report.

The question was taken, and the conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: After line 9 insert: "also retired officers and enlisted men of the Navy and Marine Corps and transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who die in naval hospitals (including St. Elizabeths Hospital)."

Mr. FRENCH. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. BUTLER. Will the gentleman make some explanation of that? We expect to live for a few days longer. [Laughter.] This involves several hundred million dollars. What is the proposition? This is proposed legislation way beyond anything we ever contemplated. What is the argument in favor of it? Who contends for it?

Mr. FRENCH. The amendment provides for the payment of the funeral expenses of retired naval and Marine Corps officers and personnel who may die in naval hospitals. That is a matter that has been urged upon the Congress for a good many years. It was urged upon our committee in the estimates that came from the department and the committee rejected it. In fact, I should say that nearly every year that I have been a member of the committee we have rejected the item. However, the amendment has been put on by another legislative body, and that body is insistent upon it. It is the feeling of your conferees that, after all, it does not involve a great sum of money, although it will involve some money, for the purpose indicated.

Mr. VINSON of Georgia. What limitation is there upon it?

Mr. FRENCH. There is no special limitation on this other than that in the general law touching funeral expenses of officers or enlisted men in the service.

Mr. VINSON of Georgia. I beg the gentleman's pardon, the law fixes the limit now at \$100. As I understand the Senate amendment proposes that the Government pay the funeral expenses of every officer that dies in the naval hospital on the retired list.

Mr. FRENCH. Only to the extent that the general law attaches to the funeral of others.

Mr. VINSON of Georgia. The gentleman stated that this had been rejected by the committee several times; what caused him to change his views; why should the committee accept it now when the committee has heretofore rejected it?

Mr. FRENCH. The main reason why the committee rejected it was because we did not have jurisdiction.

Mr. VINSON of Georgia. Is not this legislation on an appropriation bill?

Mr. FRENCH. Yes.

Mr. VINSON of Georgia. The legislative committee never had that suggestion put up to it. The gentleman ought not to insist upon it because it was put on in another body—especially legislation that would not be in order on the floor of the House.

Mr. FRENCH. The gentleman understands that the item is one that properly goes to the legislative committee. The Appropriation Committee has constantly rejected it; not so much because we considered it on its merits, but because we did not feel that we had jurisdiction, and we have urged that it be taken to the legislative committee. Now, under the rules of the House there is another way in which this item can come before the House, and that is the way it has come before the House to-day.

We are not advocating this proposition, but we had to come to an agreement in conference, and this is one of the items that the Senate conferees were insistent upon.

Mr. VINSON of Georgia. The gentleman has not advocated it in committee; will he help the House maintain its legislative prerogative when it is not in order on an appropriation bill?

Mr. BUTLER. Will the gentleman tell how much this will cost? That is the first question that our committee always asks.

Mr. FRENCH. The gentleman must know that it is impossible to answer that question.

Mr. BUTLER. Oh, they will give you an estimate.

Mr. FRENCH. They might give an estimate, but no one can foretell how many officers or men will go to the hospital or how many of them will die.

Mr. AYRES. The general law covers this just as it does those in the active service.

Mr. BUTLER. Of course, there is a general law to pay for funerals of those on the active list, but this is to take up the retired list. It was never hinted to the legislative committee since I have been a member of it.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. LA GUARDIA. While this is not important, does not the gentleman believe it is in the interest of sound legislation to keep legislation out of appropriation bills?

Mr. FRENCH. Surely, and that is why the gentleman who is chairman of the Committee on Appropriations has year after year refused to entertain this item and has referred it back to the legislative committee.

Mr. CONNALLY of Texas. Mr. Speaker, as I understood the gentleman a moment ago he said this had been before the

Committee on Appropriations frequently, and that that committee had always declined to consider it, only for the reason that it did not have jurisdiction.

Mr. FRENCH. No; that was part of the reason; and because we did not have jurisdiction we did not go into the matter thoroughly. We have simply passed it back to the legislative committee.

Mr. CONNALLY of Texas. Did not the gentleman say a while ago that the committee has repeatedly rejected it mainly because they did not have jurisdiction?

Mr. FRENCH. Possibly I did.

Mr. CONNALLY of Texas. And the point is that the gentleman now has the opportunity to agree to it because the Senate has put it on the bill. The gentleman and the other conferees are not standing up for the position of the House, opposing the Senate, but are saying to the Senate, "If you make us agree, we will agree."

Mr. FRENCH. We can not accept the Senate amendment under the rule; we must bring it back to the House for a vote, and the House may adopt my motion or it may vote it down.

Mr. CONNALLY of Texas. The gentleman stated it that way, and the gentleman admits that the conferees, instead of going over and maintaining the position of the House and saying they would not agree to it, are now in the position of saying to the Senate, "You put it on, and under the rules we can not agree to it, but we will go back to the House and advise the House to submit." Is not that about the situation?

Mr. FRENCH. The gentleman has a very vivid imagination, but let me say that when two bodies are equally responsible for legislation, one body alone can not always have its way. We must come to an agreement, and I think if the gentleman will run through the different items in dispute, he will find that this one is about as harmless a proposition as the House conferees could agree to bring back to the House.

Mr. STEPHENS. Mr. Speaker, will the gentleman yield me two or three minutes?

Mr. FRENCH. Yes; I yield three minutes to the gentleman from Ohio.

Mr. STEPHENS. Mr. Speaker, it seems that this particular question is a matter of difference of construction. This is legislation. It has never come before the Committee on Naval Affairs of the House, and the chairman of the subcommittee has said that time after time the Committee on Appropriations has refused to consider it. I ask the Members of the House to vote down the gentleman's motion, and settle it in that way.

Mr. BUTLER. Mr. Speaker, will the gentleman yield me two minutes?

Mr. FRENCH. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania.

Mr. BUTLER. Mr. Speaker, I regret very greatly to have any difference with these gentlemen. I much prefer to live in accord with them, and I dislike very much to make any sort of quarrel over the burial of the dead. Nevertheless, you are now stepping ahead outside of the regular order of business. You have opened the door to further increased cost of carrying the reserve or the retired list of the Navy. This question has never been passed upon by the committee of which I am the chairman, and in my recollection it has never been submitted to us. We have always held down the practice as tightly as we could against extending to any class of people any of the privileges that are now given to what is known as the regular list of the service. That is very embarrassing to me. I do not want to have any difference with a gentleman like my friend from Alabama [Mr. OLIVER], and I wish that the chairman of the subcommittee here had stood by the House. [Applause.] I wish the chairman of the subcommittee had said to the Senate that this is legislation and that it has never been passed upon. No word is said here in defense of it, except what the chairman of the subcommittee may have said. I do not know how much money this will cost, and it is not perhaps the paltry sum of a few dollars, but it is the principle that we are establishing. How far are we going with this retired list of the Navy?

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. OLIVER of Alabama. I understand then from the gentleman's statement that the legislative committee does not look with favor upon this item?

Mr. BUTLER. I now say to my friend that he and I are in accord on everything, and I would like to know how much this will cost, how far it is to go, and what the estimate is and the real reason for it.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. FRENCH. Mr. Speaker, I yield the gentleman one minute more.

Mr. OLIVER of Alabama. As one of the conferees, if the gentleman from Pennsylvania [Mr. BUTLER] makes the statement to the House that this is an item which in his judgment his committee would not favor or that his committee first desires to hold hearings thereon, then I feel that we ought to protect the rights of the legislative committee as to this matter. [Applause.] It is not a matter that the conferees have given careful consideration to, and we simply brought it back under the rules for the action of the House. I know there was no disposition on the part of any of the House conferees to insist on this item if the legislative committee is opposed to it.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. FRENCH. Mr. Speaker, I yield the gentleman another minute.

Mr. BUTLER. Following the suggestion made by our colleague, the gentleman from Alabama [Mr. OLIVER], if this is sent back to the Committee on Naval Affairs we will report to you what in our opinion will be its effect in the way of opening the door and other opportunities in reference to conferring this privilege upon the retired list of the Navy. As I say, I do not desire to be factious. I do not want to disagree with these gentlemen who differ with me, but it is somewhat disappointing to me when this House has had no opportunity to hear—no report, these conferees have had none—that an effort should be made to take this away. It is not the paltry sum but the principle that is at stake, and this opportunity ought not to be given to a certain class of people without the committee inquiring into the necessity for it.

Mr. FRENCH. Mr. Speaker, just one more word upon this amendment. In the first place, I do not think the gentleman from Alabama quite expressed the thought I had in mind in the matter. The statement of the gentleman from Alabama in the main is expressive of my thought, but I do not quite think he meant to say that our subcommittee had not given consideration to the question. It has been brought to our attention every year for possibly four years, and we have seen what was in it and have ourselves rejected it. I think probably I could say that mainly we have rejected it because we had no jurisdiction. Whether we would have concurred had it been properly before us I do not know.

Mr. OLIVER of Alabama. If the gentleman will permit, it was not brought before the Appropriations Committee at the request of the committee.

Mr. FRENCH. Not at the request of the committee; no.

Mr. OLIVER of Alabama. And the committee, recognizing that they had no jurisdiction over the matter, did not, perhaps, inquire into the items they otherwise would. Of course, we would be unable to say to the House now what this would probably cost in the future.

Mr. FRENCH. That is correct. The thought that finally addressed itself to the conferees was that probably the number of officers and men who would be included in the group here would be a very limited number living near naval hospitals. If they should enter the hospitals and die, it would be a means of caring for the funeral the same as the funeral of others who under the law are now cared for. Now, as far as members of this committee are concerned we are not urging the program. The House has it in its power to reject the amendment or to adopt it.

Mr. McKEOWN. Will the gentleman yield for a question? I just want to know what obligation the United States owes the men who retire to pay for their funerals.

Mr. FRENCH. Oh, no. This applies only to certain retired officers and men who may die in naval hospitals.

Mr. McKEOWN. They all would enter a naval hospital if they thought we would pay for the funeral.

The SPEAKER. The question is on the motion of the gentleman from Idaho to recede and concur in the Senate amendment. The question was taken, and the motion was rejected.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 27: Page 43, line 5, after the figures \$4,100,000, strike out "in all, \$13,520,500," and insert "for new construction and procurement of aircraft and equipment, \$4,962,500; in all, \$18,900,000."

Mr. FRENCH. Mr. Speaker, I move to recede and concur with an amendment which the clerk has.

The SPEAKER pro tempore (Mr. LEHLBACH). The Clerk will report the amendment.

The Clerk read as follows:

Mr. FRENCH moves to concur in Senate amendment No. 27 with an amendment as follows: In lieu of the matter inserted by said amend-

ment insert the following: "For new construction and procurement of aircraft and equipment, \$4,962,500; in all, \$18,935,288."

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. FRENCH. I will.

Mr. VINSON of Georgia. Will the gentleman furnish the House with information as to the number of new airplanes to be obtained by the \$4,000,000?

Mr. FRENCH. One hundred and thirty-seven airplanes.

Mr. VINSON of Georgia. That is the same item, is it not, that was in the appropriation bill and a point of order was made in the House when the bill was being considered?

Mr. FRENCH. Yes. And let me say to the gentleman that the situation since then has changed materially. The Naval Committee has brought in a building program and the House has approved it. The amount carried in the item in dispute is within the scope of the authorization provided in the aircraft authorization program carried in that bill.

Mr. VINSON of Georgia. I wanted to ascertain from the gentleman if the total amount for aviation for new construction authorized in the appropriation is the same air program as in the legislative bill?

Mr. FRENCH. Well, it does not exceed it.

Mr. VINSON of Georgia. I am aware of that. How much is it under?

Mr. FRENCH. The item here carries \$4,962,000.

Mr. VINSON of Georgia. How much does the gentleman appropriate for aviation for new construction, only \$4,000,000?

Mr. FRENCH. The amount carried here I have just indicated, but we carry an additional item for authorization in the amount of \$4,100,000, a total of \$9,062,000, in addition to \$3,000,000 for aircraft for the *Lexington* and *Saratoga*, which was approved by the House when the bill was first under consideration.

Mr. VINSON of Georgia. I want to find out the total amount. My recollection of the appropriation bill before for new aircraft is that it was nine million and some odd thousand dollars.

Mr. FRENCH. That is correct.

Mr. VINSON of Georgia. All of that was stricken out. The gentleman brings back now only \$4,000,000, judging from the reading of the statement accompanying the conference report on the bill.

Mr. FRENCH. There is another item, the next amendment, which calls for \$4,100,000.

Mr. VINSON of Georgia. Then there are two items of about \$4,000,000 each?

Mr. FRENCH. Yes; one in money of \$4,962,000 and the other in authorization in the amount of \$4,100,000.

Mr. VINSON of Georgia. And the total is about the same as that in the bill when the point of order was made?

Mr. FRENCH. They are precisely the same figures.

Mr. VINSON of Georgia. My recollection is that it is about \$60,000 less. Does not the gentleman think that, in view of the fact that the House has just inaugurated a program to authorize approximately an expenditure of \$12,000,000 for new aircraft, before we accept the Senate proposition investigation should be made to ascertain whether or not the conclusion of the House Committee was right, or whether the conclusion of the Senate is right, with reference to new construction? We authorized 235 new airplanes, or 213 not including those that went on the carriers. Does that new number include the number that are on the carriers?

Mr. FRENCH. No. The bill as it passed the House carried \$3,000,000 for planes for the aircraft carriers. That item is not in dispute.

Mr. VINSON of Georgia. But if the Congress is to carry out the five-year program and have a thousand airplanes, you must appropriate more money each year than is provided for the fiscal year 1927.

Mr. FRENCH. We do not understand that the amount authorized is necessarily the exact amount for which a mandate is given.

Mr. VINSON of Georgia. I agree with the gentleman thoroughly as to that. The spirit and intent of Congress was to have a thousand airplanes in five years, and of the thousand airplanes so many must be purchased in each one of the years. In 1927 the gentleman proposes to have 60 planes below the number indicated in the House program. The gentleman certainly expects to carry out the mandate of the House and carry out the law and have at least a thousand airplanes in five years, and if so, you must make it up in other years, if you do not appropriate approximately the number required for 1927.

Mr. FRENCH. In the first place, the bill to which the gentleman refers has not become a law, and, in the second place, the bill itself provides for an elastic program. In

other words, no hard-and-fast program is required for any particular year.

Mr. VINSON of Georgia. On that theory, then, it is the duty of the House to reject all projects for aviation until the bill becomes a law. The gentleman should not force us into that position unless he goes all along down the line, if the gentleman wants to maintain the integrity of the Committee on Naval Affairs. The gentleman has agreed to something that was not in that bill.

Mr. FRENCH. I will say to the gentleman that this is an item to which the House conferees could not agree. We have therefore brought it back, in the orderly way provided by the rules, for a separate vote. In view of the fact that the gentleman's committee has acted upon it and the House has acted upon it in passing the legislative bill, we felt that it would be meeting the wishes of the House for us to concur in the Senate amendment.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. FRENCH. Certainly.

Mr. OLIVER of Alabama. I think that is the feeling of the chairman of the legislative committee [Mr. BUTLER]. They reported their bill, and I think the members of the Committee on Appropriations assisted in passing the bill. We were glad to see it pass. It was then stated by the gentleman from Georgia [Mr. VINSON], as well as other members on the legislative committee, just as the gentleman from Idaho has said, that the bill did not seek to provide a hard-and-fast program, but an elastic program, and gave to the Committee on Appropriations authority to make appropriations within, not necessarily up to, the limits fixed in the bill.

Mr. VINSON of Georgia. There is no dispute between any of us on that statement of the gentleman from Alabama. But I trust that the Committee on Appropriations will carry out, if possible, the program to have a thousand planes in five years. Therefore, it is incumbent on the Committee on Appropriations to approach that number each year a little more closely than they are approaching it this year. Otherwise next year you will have to appropriate for a great many more. But, in view of the fact that the gentleman's committee is appropriating \$9,000,000 for new aircraft and in view of the fact that it is within close distance of what was proposed by the legislative committee, I am not opposed to accepting the proposition.

Mr. OLIVER of Alabama. The complaint of the gentleman from Georgia should be directed at a later deficiency appropriation. In other words, the only estimate for airplanes submitted to our committee was for those we are now appropriating for.

Mr. FRENCH. That is correct.

Mr. OLIVER of Alabama. If it is the thought and desire of the gentleman from Georgia [Mr. VINSON] that this amount should be increased, then the orderly way is for the Navy Department to submit estimates for additional planes, through the Budget or otherwise, to the Committee on Appropriations before the last deficiency bill is reported.

Mr. VINSON of Georgia. Well, as we have got half of the loaf, we can wait for the other half in the deficiency bill.

Mr. LA GUARDIA. Mr. Speaker, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. LA GUARDIA. The gentleman is not appropriating the full amount required by the legislative bill. If the department will procure them efficiently it will be all that can be furnished the first year, and all that can be produced, considering that the Army is in the same market. I pointed out when we were considering the naval aviation bill that we should not plunge into the market and buy a lot of junk in the way we have been doing in the past. I doubt very much whether the department will be able to spend the \$9,000,000 in such a way as to avoid coming in and asking for a deficiency, as suggested by the gentleman from Alabama.

Mr. BLACK of Texas. Will the gentleman from Idaho yield me five minutes to oppose the adoption of this amendment?

Mr. FRENCH. We are anxious to close this matter, so that the other bill on the legislative calendar may come forward, but I will yield the gentleman five minutes.

Mr. BLACK of Texas. Mr. Speaker, the amendment which the gentleman from Idaho seeks to have us concur in would add about \$4,500,000 to the naval aircraft expenditures. Another amendment that immediately follows it, amendment No. 28, adds \$4,100,000 more to the naval program, which will make an aggregate of nearly \$9,000,000.

Now, the bill at the present time, with certain Senate amendments that have been agreed to, aggregates substantially \$15,000,000 for the aeronautical division of the Navy. All provisions of the bill already, without any increases, involves considerably more than \$300,000,000. We are appropriating nearly

\$300,000,000 for the Army. Therefore we already have, without any increases, an aggregate expenditure of \$600,000,000 for the Army and the Navy. The gentleman from Idaho will admit, and also my good friend from Alabama [Mr. OLIVER], that this new aircraft program has not become a law. It passed the House but has not passed the Senate. It is not yet the law, and it will be soon enough for us to increase these bills by \$9,000,000 when the bill has become a law.

Now, I know I can not defeat it; I realize that; but I am going to oppose these increases and do what little I can and go as far as I may to help defeat them. I am not going to sit here as a Member and allow to go by without any protest an addition of nearly \$9,000,000 to a bill that already carries something like \$325,000,000. I realize perfectly well that we must have an Army and Navy, but I insist we should call a halt on constantly increasing expenditures for these purposes.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. OLIVER of Alabama. The attitude of the House as to aviation in the Navy is reflected by the appropriations now recommended. The gentleman from Texas will remember that these appropriations were carried in the bill as originally reported by the committee to the House; that they went out on a point of order; that shortly thereafter the legislative committee reported a bill authorizing the building of the planes, and the amount now carried in the bill is less than the amount required to provide the number of planes authorized for the year 1927 in the bill which the House recently passed.

Mr. BLACK of Texas. I admit all that the gentleman says, but it does not alter a single statement I have made. These items were included in the naval appropriation bill, but they went out on a point of order because they were not authorized by law, and I submit to my good friend from Alabama that if these very items were again before the House in that manner they would go out on a point of order, because the mere fact that the House has passed the bill would not make law. The Senate must pass the bill which the House recently passed, authorizing a new naval air program, before it becomes a law.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. FRENCH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. OLIVER of Alabama. My recollection is that the gentleman from Texas is thoroughly consistent in that he now not only opposes the appropriation carried in this bill for the purpose of providing for some of the planes which the House only recently authorized, but the gentleman also voted against the bill reported by the legislative committee, and under which the House authorized the building of planes for which appropriations are here proposed.

Mr. BLACK of Texas. That is correct. I did that.

Mr. OLIVER of Alabama. The gentleman voted against any authorization for any planes for 1927, and now, consistent with that position, the gentleman opposes all appropriations for any planes.

Mr. BLACK of Texas. That is correct; I oppose this new building program. I feel it my duty to not allow to go by without protest an additional appropriation of \$9,000,000 which is not authorized by law, and my good friend from Alabama will admit it is not authorized by law.

Mr. McKEOWN. Will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. McKEOWN. Does the gentleman reach the same conclusion that some of us have that this disarmament movement does not mean the reduction of appropriations so far as the Navy is concerned?

Mr. BLACK of Texas. I will say to my good friend from Oklahoma that if we keep on voting appropriations of the kind contained in this bill we might as well have had no disarmament conference, so far as expenditures are concerned, because we are now appropriating, as I stated a while ago, more than \$600,000,000 for the combined support of the Army and Navy.

Mr. OLIVER of Alabama. Will the gentleman yield further?

Mr. BLACK of Texas. Yes.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. FRENCH. Mr. Speaker, I yield the gentleman one additional minute.

Mr. OLIVER of Alabama. The House recently did this over the protest of the gentleman from Texas, and the Senate, by approving this appropriation, has itself approved the action of the House in authorizing these planes, have they not?

Mr. BLACK of Texas. Well, my friend will admit that is not the way we pass laws.

Mr. OLIVER of Alabama. But that is the fact.

Mr. BLACK of Texas. My friend from Alabama wants to be fair, I know, and if he is fair he will admit that there is no authority of existing law for this \$9,000,000 appropriation. Of course, it is within our power to vote it; I will admit that, but there is no statutory law authorizing it and, therefore, to be consistent and carry out my opposition to this new building program, I am going to vote against the Senate amendment.

Mr. FRENCH. Mr. Speaker, I yield one minute to the gentleman from New Jersey [Mr. APPLEBY].

Mr. APPLEBY. Mr. Speaker, relative to the point of order I made against the Navy appropriation bill, aviation paragraph, which was stricken out, that point of order was made because in the paragraph it carried an appropriation of \$300,000 for an unauthorized ship, which was legislation in an appropriation bill. It has nothing to do with the amount of that particular appropriation, because this appropriation is as near as it can be to the original appropriation in the Navy bill.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Idaho to recede and concur with an amendment.

The question was taken; and the Chair being in doubt, the House divided and there were—ayes 55, noes 9.

Mr. BLACK of Texas. Mr. Speaker, I object to the vote, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 309, nays 35, not voting 87, as follows:

[Roll No. 89]

YEAS 309

Ackerman	Denison	Hooper	Montague
Adkins	Dickinson, Iowa	Houston	Montgomery
Allen	Dickinson, Mo.	Howard	Mooney
Allgood	Dickstein	Hudson	Moore, Ky.
Andresen	Doughton	Hudspeth	Moore, Ohio
Anthony	Douglass	Hull, Tenn.	Moore, Va.
Appleby	Dowell	Irwin	Morehead
Arentz	Drane	Jacobstein	Morgan
Arnold	Drewry	James	Morrow
Aswell	Driver	Jeffers	Murphy
Ayres	Dyer	Jenkins	Nelson, Me.
Bacharach	Eaton	Johnson, Ill.	Nelson, Mo.
Bachmann	Elliott	Johnson, S. Dak.	Newton, Minn.
Bacon	Ellis	Johnson, Tex.	Newton, Mo.
Bailey	Estlick	Johnson, Wash.	O'Connell, N. Y.
Barbour	Esterly	Kahn	O'Connell, R. I.
Beedy	Evans	Kearns	O'Connor, La.
Begg	Fairchild	Keller	O'Connor, N. Y.
Black, N. Y.	Faust	Kelly	Oldfield
Bland	Fenn	Kemp	Oliver, Ala.
Bloom	Fisher	Ketchum	Oliver, N. Y.
Boles	Fitzgerald, Roy G.	Kieffner	Parker
Bowling	Fitzgerald, W. T.	Kless	Parks
Bowman	Fletcher	Kincheloe	Patterson
Box	Fort	Kindred	Peery
Brand, Ga.	Foss	King	Perkins
Brand, Ohio	Free	Kirk	Perlman
Briggs	French	Knutson	Pou
Brigham	Frothingham	Kopp	Prall
Browne	Fuller	Kunz	Purnell
Browning	Funk	LaGuardia	Quin
Buchanan	Furlow	Lampert	Ragon
Bulwinkle	Gambrill	Lanham	Raney
Hardick	Garber	Lankford	Rameyer
Burness	Gardner, Ind.	Larsen	Rathbone
Burton	Garrett, Tenn.	Lazaro	Rayburn
Butler	Garrett, Tex.	Lea, Calif.	Reece
Byrns	Gasque	Leavitt	Reed, Ark.
Canfield	Gibson	Leatherwood	Reid, Ill.
Cannon	Gifford	Leibach	Robinson, Iowa
Carew	Gilbert	Letts	Robison, Ky.
Carter, Calif.	Goldsborough	Linthicum	Rogers
Carter, Okla.	Goodwin	Little	Rouse
Celler	Gorman	Lowrey	Rowbottom
Chalmers	Green, Fla.	Luce	Rube
Chapman	Green, Iowa	McClintic	Sanders, N. Y.
Chindblom	Greenwood	McLaughlin, Mich.	Sanders, Tex.
Christopherson	Griest	McLaughlin, Nebr.	Sandlin
Clague	Hale	McLeod	Scott
Cole	Hall, Ind.	McMillan	Seger
Collier	Hall, N. Dak.	McReynolds	Simmons
Colton	Hardy	McSweeney	Sinnott
Connelly	Harrison	MacGregor	Smith
Cooper, Ohio	Hastings	Madden	Smithwick
Corning	Haugen	Magee, N. Y.	Snell
Cox	Hawes	Major	Somers, N. Y.
Cramton	Hawley	Manlove	Sosnowski
Crisp	Hayden	Mansfield	Speaks
Crumpacker	Hersey	Mapes	Sproul, Ill.
Cullen	Hickey	Martin, La.	Sproul, Kans.
Curry	Hill, Ala.	Martin, Mass.	Stalker
Darrow	Hill, Wash.	Mead	Stedman
Davenport	Hoch	Merritt	Stephens
Davis	Hogg	Michener	Stobbs
Dempsey	Holaday	Miller	Strong, Kans.

Strother	Thatcher	Vinson, Ga.	Whittington
Summers, Wash.	Thompson	Vinson, Ky.	Williams, Ill.
Summers, Tex.	Tillman	Volgt	Williams, Tex.
Swank	Tilson	Wainwright	Williamson
Swartz	Timberlake	Walters	Wingo
Sweet	Tolley	Warren	Winter
Swing	Tucker	Wason	Wolverton
Swoope	Underwood	Watres	Woodruff
Taber	Updike	Weaver	Wright
Taylor, Colo.	Upshaw	Wheeler	Wurzbach
Taylor, N. J.	Valle	White, Kans.	
Taylor, W. Va.	Vestal	White, Me.	
Temple	Vincent, Mich.	Whitehead	

NAYS—35

Almon	Collins	Jones	Schafer
Barkley	Connally, Tex.	Kvale	Shallenberger
Beck	Crosser	Lozier	Sinclair
Bell	Dominick	McKeown	Stegall
Berger	Edwards	Millican	Stevenson
Black, Tex.	Fulmer	Rankin	Thomas
Blanton	Hammer	Romjue	Thurston
Busby	Hare	Rutherford	Wefald
Carss	Huddleston	Sabath	

NOT VOTING—87

Abernethy	Flaherty	Lyon	Shreve
Aldrich	Frear	McDuffie	Spearing
Andrew	Fredericks	McFadden	Strong, Pa.
Auf der Heide	Freeman	McSwain	Sullivan
Bankhead	Gallivan	Magee, Pa.	Taylor, Tenn.
Beers	Garner, Tex.	Magrady	Tincher
Bixler	Glynn	Menges	Tinkham
Bowles	Golder	Michaelson	Treadway
Boylan	Graham	Mills	Tydings
Britten	Griffin	Morin	Underhill
Brumm	Hadley	Nelson, Wis.	Vare
Campbell	Hill, Md.	Norton	Watson
Carpenter	Hull, Morton D.	Peavey	Weller
Cleary	Hull, William E.	Phillips	Welsh
Connolly, Pa.	Johnson, Ind.	Porter	Wilson, La.
Cooper, Wis.	Johnson, Ky.	Pratt	Wilson, Miss.
Coyle	Kendall	Quayle	Wood
Crowther	Kerr	Ransley	Woodrum
Davey	Kurtz	Reed, N. Y.	Wyant
Deal	Lee, Ga.	Schneider	Yates
Doyle	Lindsay	Sears, Fla.	Zihlman
Fish	Lineberger	Sears, Nebr.	

So the motion was agreed to.

The Clerk announced the following pairs:
Until further notice:

Mr. Wyant with Mr. Garner of Texas.
Mr. Mills with Mr. Lindsay.
Mr. McFadden with Mr. Sears of Florida.
Mr. Bixler with Mr. Weller.
Mr. Graham with Mr. Doyle.
Mr. Reed of New York with Mr. Abernethy.
Mr. Vare with Mr. Wilson of Mississippi.
Mr. Hill of Maryland with Mr. Bankhead.
Mr. Morin with Mr. Woodrum.
Mr. Magrady with Mr. Johnson of Kentucky.
Mr. Connolly of Pennsylvania with Mr. Gallivan.
Mr. Pratt with Mr. Quayle.
Mr. Coyle with Mrs. Norton.
Mr. Shreve with Mr. Tydings.
Mr. Golder with Mr. Spearing.
Mr. Strong of Pennsylvania with Mr. Auf der Heide.
Mr. Kendall with Mr. Cleary.
Mr. Ransley with Mr. Deal.
Mr. Crowther with Mr. Griffin.
Mr. Beers with Mr. Lyon.
Mr. Wood with Mr. Sullivan.
Mr. Menges with Mr. Boylan.
Mr. Welsh with Mr. Davey.
Mr. Kurtz with Mr. Kerr.
Mr. Carpenter with Mr. Lazaro.
Mr. Freeman with Mr. McDuffie.
Mr. Underhill with Mr. Wilson of Louisiana.
Mr. Treadway with Mr. McSwain.
Mr. Taylor of Tennessee with Mr. Cooper of Wisconsin.
Mr. Yates with Mr. Peavey.
Mr. Magee of Pennsylvania with Mr. Schneider.
Mr. Porter with Mr. Frear.
Mr. Watson with Mr. Nelson of Wisconsin.

The result of the vote was announced as above recorded.
The doors were opened.

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent that I may have three days in which to file minority views on H. R. 3994.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 28: Page 43, line 16, after the word "airplanes," insert a colon and the following: "Provided further, That in addition to the amount herein appropriated and specified for expenditure for new construction and procurement of aircraft and equipment the Secretary of the Navy may enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$4,100,000."

Mr. FRENCH. Mr. Speaker, I move that the House recede and concur in the Senate amendment, and I yield one minute to the gentleman from Michigan [Mr. McLEOD].

TRANSPORTATION—RAILWAYS AND WATERWAYS

Mr. McLEOD. Mr. Speaker and gentlemen, first I want to thank the gentleman from Idaho [Mr. FRENCH] for yielding me time to speak briefly on what I deem one of the biggest questions of the day, and I sincerely believe that if you will give me your strict attention that I can bring the whole membership of this House around to my conviction.

The time has come when we can not longer fail to direct our undivided attention to a problem of the utmost importance to our country. Congress is in default of its duty to 40,000,000 of its citizens directly and to the Nation as a whole. It is for this reason that I feel it my duty to speak on the subject of transportation and give this honorable body the benefit of what light I may be able to throw on it through the fruits of several years of the most intensive study. I have followed the present phase of the problem from its beginning; I have watched its evolution and considered its consequences in my home community; I have carefully examined every paper and document dealing with this subject; I have taken soundings in every direction in which my investigations have led me; and I have come to the conclusion that some of us are deceiving not only ourselves but a very large part of the people who rely upon us to know the fundamental economic condition of the country and the dire necessity for opening the great St. Lawrence waterway to the sea.

The United States of America is the miracle of modern industrialism. We are so accustomed to hearing and reading statements to this effect that their crispness and apparent exaggeration seem to fall upon unappreciative ears. We are almost daily regaled with reports of new investments, greater extensions, taller buildings, and more magnificent achievements in invention and manufacture.

We who are familiar, or believe we are, with the workings of these giants of a scientific age are like to forget how to measure the activity which we see around us. We are slow to realize that the things manufactured and developed here have a vital and intimate connection with the other parts of the world, and that the needs of distant peoples have an equally intimate connection with us. We have been progressing so fast that we have failed to take stock of the past, neglected to appraise the present, and are often prone to plan improperly for the future. Perhaps if in the past we could have seen all that was to take place here in the realms of science, in the growth of population, in the rush of industry, we might have been able to solve in advance many of the problems which today arise to harass us out of a confused yesterday.

From Athens to Rome, London to New York—from Marco Polo to Hendrik Hudson—runs an age-old waterway. The wolf mother of Rome was careful to leave the mighty twins by the Po; 10 races have razed and built new cities on the site of London. Every great center of population rests by the side of our lakes and rivers and seas. When our own backwoodsmen went seeking inward, feeling out our vast resources, they nestled their stockades and founded their industries by the side of our waterways. New York, Detroit, Duluth, Milwaukee, Chicago, St. Louis, New Orleans, San Francisco, Portland, and on and on runs the list of our great concentration centers—all by the grace and the strategy of our rivers.

Not without cause, gentlemen, are these things true—a certain natural economy, a certain strategic philosophy, an obvious expediency underlies the course of commerce and peoples. Highways carved from rock, trails of steel or of dust, all fade before the expediency of time and custom. But peoples change to fit our waterways, the only unchanging way. We came by our rivers, we build by them, then we turned away for a time to master our interiors for feeders; we built railroads and concrete trails. We needed them; we always will. But we may not forget our key passageways; we must now turn our commercial genius to thorough development and utilization of these rivers and lakes we came by to move our vast shipments to big centers more cheaply, to coordinate our key highways with our overland roads.

The future, however, must be taken care of in the light of the wisdom we can gather from the past, coupled with logic derived from the present situation, and it is with this thought in mind that I desire to make a few suggestions as to the possibilities in store for us and the methods best calculated to meet them.

The solution, assuming as we are a normal and healthy industrial growth, is summarized in one word—transportation. Our picture must allow for improvement in all of the natural

media—land, water, and air—and must be forward looking and confident in man's continued ability and inventive genius in the harnessing and control of nature. I propose to deal now only with the first two of these media and leave the third for a later date, when, with your permission, it may be given the careful attention its importance demands.

The problem of transportation is to keep the traffic moving, and for this reason all forms of transportation must cooperate to solve the common problem. Our highways are constantly being developed, so that motor traffic is fast finding its ultimate place in relation to modern transportation; railroads have become a more or less fixed institution, and our waterways, while having in the past been employed to an extent unrealized by the majority of our citizens, are, perhaps, the least developed of all.

But the past and the present in reality offer small suggestions indeed of the mighty transformation possible, the plans for which are being discussed and the desirability of which is being increasingly agitated in many quarters. If the Great Lakes cities are to become ocean ports and seagoing ships are to dock there, we shall experience a new stimulation of this great, throbbing industrial fabric upon which our national greatness is based. [Applause.] The press, and those who follow the trend of events, are constantly talking of the St. Lawrence waterway, opening a more economical way of transportation—and the only feasible way—between the Middle West and foreign markets. I shall point out in a few minutes why this is the only practical way, and why the adaptation of any other way would be a costly makeshift. First, we must ask ourselves if, all things considered, a great benefit will result from it, whether the cost involved will be more than balanced by the advantage to be gained.

It may be observed that the vessels which may be advantageously used in service in an inland waterway to this section of the country constitute 80 per cent of the world's merchant fleet. This would mean that that number of ships could bring needed materials directly to us, and in return receive the manufactured articles which we have to offer as directly. It would immeasurably increase the volume of business which we are capable of doing. We could supply needs which are now felt, but which, for poor connections, we are now incapable of supplying. It has been estimated that the tonnage to be carried through this improvement would serve producers and consumers to a greater extent than that developed by the Panama Canal. The profit resulting to the whole Nation would equal if not surpass that which resulted from the construction of the transcontinental railroads. The Middle West, through lack of facilities for transportation, has for some time been hampered in its expansion. The opening of the St. Lawrence will remove a blight from the hopes of a most important section of our great Nation, and it is the only thing which will do it successfully. [Applause.]

Such an avenue of travel would aid tremendously in the solution of our periodic problem of congestion, car shortages, and labor trouble.

The conclusion from these general observations is that the time is at hand for providing this great inland section with the means of reaching its market at the lowest possible cost and by the most economic route—that is, opening its natural water outlet to the sea.

Let us remember that three-fourths of the barks passing through the Panama and Suez Canals are capable of navigating lake channels; that the volume of commerce passing through the Detroit River for one year is approximately 100,000,000 tons, in comparison to a yearly 20,000,000 tons each for those canals. Let us remember also that while the principal part of this huge movement consists at present of bulk shipments of ore and coal between lake ports, grain destined for the seaboard and manufactures of the Middle West make up another large part. Let us not forget that two-thirds of the agricultural products are exported and from 10 to 50 per cent of middle western manufactures are exchanged for the products of other lands, and that it supplies more than half the export tonnage of the United States and one-third of the commodity values.

The population of this area on United States soil is approximately 40,000,000, more than one-third of the entire population of the United States. These millions must now pay the same price as all our coastal populations for all imported commodities, and then an additional cost of rail transportation of the goods inland one to two thousand miles. This alone is a discrimination against our inland consumers which amounts to millions of dollars a year.

The very shores of Lake Erie is the destination of by far the greater part of our fourth largest import—rubber. More than

one-third of our largest import—sugar—is destined for the sugar bins of homes and food products industries situated close to the waters of the Great Lakes. These two kinds of necessities alone, therefore, represent import trade to this region of approximately 3,000,000 tons a year. Coffee, our third-largest import, would add roughly another half-million tons.

This does not take into account the saving which would result to Canadian consumers and the corresponding benefit to the United States caused by the increased buying power of Canadians, who demand an enormous quantity of our manufactured goods, machinery, and so forth. This same element should be taken into consideration also in any scheme of things which would facilitate the marketing of the Canadian wheat crop, to the success of which our own machinery exports respond in barometric fashion. And let us remember that while importing these products directly by water would take away a source of revenue of some railroads, their revenue would be increased in other ways, and by no means would it endanger the present profitable condition of those carriers.

As to exports, there is even now an outbound tonnage of the Great Lakes, seeking a water route to the ocean, close to 18,000,000 tons per year. When estimating future transportation needs, it is particularly appropriate to notice that the Great Lakes region is the place of origin of a number of our most important and fastest-growing export products. Wheat comes from our great Northwest; animals and animal products from Omaha, Kansas City, and Chicago; agricultural machinery and other machinery from Wisconsin, Illinois, Michigan, and Ohio; iron and steel products from Illinois, Indiana, Ohio, and western Pennsylvania, all from the area between our two great mountain ranges and from the northern portion of the Mississippi Valley—that is, the Great Lakes region.

While the cost of transportation of all these exports is of great importance, those bearing most significantly, perhaps, on the question of a water outlet to the ocean are agricultural products and automobiles. The domestic consumption of these two classes of goods can not keep pace with production. It is generally understood that the automotive industry is faced with the problem of capturing an extensive foreign market or coming to a more or less abrupt halt after a rapid march to first place. The country as a whole can not afford to court such a contingency. The beginning of precautions against such a calamity can be seen in the 25 per cent increase in the exportation of automobiles in 1924, the first whole-hearted assault by the members of that industry on foreign markets. Having just begun, they have only scratched the surface of this field. It is dangerous to predict the increase possible in this foreign business.

In the case of agricultural products, the problem is one of meeting successfully competition in foreign markets or having an appallingly large group of perpetually insolvent farmers and impoverished allied industries. This, too, is a grave problem of national proportions. In fact, a large portion of our citizens are firmly proclaiming this to be our foremost national problem and are demanding relief in no uncertain terms. The proposed St. Lawrence waterway would be a long step toward satisfying this demand and toward preventing a recurrence of a period of depression which inevitably follows bad agricultural conditions. And what is more important, it would be a solution of the problem founded on sound principles of economy. Realizing the present situation, then, can we not afford to be optimistic about the result of a deep waterway and its effect in the enlargement of shipping and ease of disposal of products from our Middle West? Will it not behoove us to be diligent in our efforts to bring this project about?

Some are fearful of the effect of the opening of the St. Lawrence waterway on the prosperity of our railroads. Let us examine their cause for concern.

The last monthly letter of the American Exchange-Pacific National Bank, of New York, speaking of the development of water transportation, says:

Proposals looking to the development of the country's internal waterways should be considered from the standpoint of the coordination of the means of transportation and not from the standpoint of competition. Until the railroads are fully assured of enough business at relatively high rates to employ all their facilities, the country can not wisely hope to develop cheap water transportation for slow-moving goods. Rapid transportation is still more important than cheap transportation, and as long as the railroads need the revenue which now comes from the bulky freight that some day may be moved more cheaply over water routes, the development of cheap water transportation must wait. However, that does not mean that the time has not yet arrived for the commencement of actual work of development. In many sections conditions already favor the development of water transportation, and its introduction would bring needed relief to the

railroads serving those sections, but not on a competitive basis. As long as there is any question about the possibility of the railroads losing needed revenues, water and rail rates should be kept on a strictly noncompetitive basis; that is, they should be equalized.

These measures are not considered as means of protecting the interests of the railroads in their investments, but as means for protecting the interests of the country in its transportation requirements. In view of the fact that the railroads have heretofore successfully met water competition, it might appear that feats for their future welfare in this regard are groundless, but their success in the past has been mainly due to the fact that the waterways of the country were not developed to the point of affording through routes. With the completion of improvements that would establish through water routes the situation would change, and unless the business of the country had developed to the extent that all its railroad facilities were needed for rapid moving and relatively valuable freight, the railroads would be brought into competition with facilities that would be entirely satisfactory to many shippers.

If it were not for the fact that the bulk of the country's business is done upon the basis of quick and efficient transportation, it would be desirable to develop a cheaper means of transportation, but since the country needs the kind of service the railroads, and the railroads, alone can give, it must take care to do nothing that will place the continuance of the service in jeopardy. Development of waterways with public money for the purpose of opening them to the use of competitors of the railroads, if the development were immediate, might force the abandonment of a large part of the rail system of transportation. However, it is probable that by the time the water routes of the country can be fully developed the business of the country will have grown to the point at which the railroads will be ready to welcome the added facilities as measures for the relief of their overburdened systems.

I call your attention to that last statement of this powerful New York bank, gentlemen, that—

by the time the water routes of the country can be fully developed the business of the country will have grown to the point at which the railroads will be ready to welcome the added facilities as measures for the relief of their overburdened systems.

When conservative banks of the city of New York, the port which claims it will be most affected by the opening of the St. Lawrence waterway, proclaim that they share our opinion that we need a waterway to the sea now, how can we defer acting on that conviction? [Applause.]

Let us look for a moment to see what is the situation of the railroads at the present time—whether they need the revenue which now comes from the bulky freight that some day must be moved more cheaply over water routes. The latest financial statement of the Pennsylvania Railroad says that the earnings of the company are 12.46 per cent on the capital stock, and this in the face of a protracted anthracite strike, of which railroad this industry is the largest patron. This was also during a period of high taxes which will probably not again be equalled for many years. The earnings of all Class I railroads doing trunk-line business to the eastern seaboard, taken together, is well above the 6 per cent, which is the rate fixed as a fair return on the capital invested. All these railroads report also a normal growth of business which can not be taken care of except through the acquisition of additional facilities.

It looks, therefore, as if the railroads were assured of plenty of business to continue yielding a profitable return on their investment indefinitely. They could without loss surrender that portion of their business which is more readily adaptable to transportation by water. Furthermore, it should be remembered that the shift of the bulky freight from rail to the cheaper water transportation is not to be deducted from the potential business of the railroads without considering the results which will follow from the change. The millions of dollars thus saved to the shippers will be free to work in a number of ways, which will tend to increase the business of the railroads along new lines. For instance, the agricultural regions will buy more fertilizer and more manufactured goods, which must be carried by the railroads. Prof. Alva Benton, of the North Dakota Agricultural College, figures the saving to North Dakota alone on the shipment of wheat at \$183,000,000 per year. Think what a quantity of needed commodities North Dakotians would buy outside their State with that amount of money!

The manufacturer will spend the money saved by the use of cheaper water transportation to buy additional raw materials needed to supply the products sold in the markets made available by the opening of the waterways and in reducing the price of the manufactured product to home consumers, thereby greatly increasing the home market, and consequently the business of the railroads as distributors of the product. It is possible, therefore, that this result alone would more than offset the loss

of revenue to the railroads due to the waterways taking over the carrying of bulky freight destined for export.

Now, as to the question whether the business of the railroads demands the use of all their facilities. In reviewing the business conditions for the year ending June 30, 1924, Secretary of Commerce Hoover said:

This fiscal year marks the first occasion since long before the war when our railway facilities have been completely equal to the demand of the country. There were no car shortages of any consequence. There was a speeding up of delivery of all goods. This complete reconstruction, expansion, and growing efficiency in transportation facilities marks a fine accomplishment on the part of our railway management. Its economic effect is more far-reaching. Every car shortage is a strangulation in the movement of commodities which reduces price levels to the producer and increases them to the consumer. It disarranges the synchronizing of our industrial fabric and widens the margin all along the line between the producer and consumer. There is still requirement for extension of terminals and readjustment of rates. There are large consolidations needed for the ultimate best service and sound finance.

It being true, therefore, that the present volume of business of the railroads is sufficient to justify adding to their facilities, the question is, Shall this be done at the expense of shippers and consumers who could be more economically served by water transportation? To answer this question in the affirmative, gentlemen, would be inexcusable folly.

The question of the probability of competition between the St. Lawrence waterway and the railroads assumes a broader aspect when placed in the light of world economic reports. It is well known that the railroads have improved so much in the last two years that they are now, taken as a whole, on a good paying basis. This has been accomplished during a time when American exports were at a low ebb. If it is true, as is proved beyond a doubt by the report of the Secretary of Commerce given above, that the railroads have all they can do now to move the goods intended for export to the sea, how are we going to take advantage of the increased buying power of Europe unless we have a water outlet to the sea from our great production center to shoulder this tremendous added transportation burden? The Secretary of Commerce says that the lack of adequate terminal facilities is now a strangulation upon our commerce, the removal of which is a vital factor in the preservation of our prosperity. This strangulation exists at the points where our products for export converge on the Atlantic coast; it is particularly true of New York, where our gigantic stream of freight traffic is forced to pass through a bottle neck to get from the cars of the rail carriers into the holds of the foreign-bound ships. Is there common sense in the loading of more and more freight cars, hauling them to New York to be unloaded and reloaded into ships, when the ships themselves can readily be brought to the place of origin of the goods, and when, from the standpoint of the railroads, more business can not profitably be done until the tangle which exists at our eastern ports is straightened out? This is especially true in view of the amount of business which the economic stabilization of Europe will, if properly taken advantage of, bring about in this country. The failure of any of our eastern ports to realize its inability to cope singlehanded with this increasing demand for business can be explained only as blindness engendered by greed. From its distorted point of view national prosperity itself—upon which many unwittingly depend—is less important than keeping its own resolution to get for itself all the export business if there is any possible way to do it.

Were these people successful in preventing an opening of another outlet to the sea at this time, under the guise of protecting the all-important financial security of the railroads, it would be only a short-lived victory. Almost immediately they would realize that they had at last encountered something akin to a commercial earthquake, needed to readjust the strains and stresses of world trade just as earthquakes relieve irresistible stresses in the earth's crust, a process not to be stifled by the ambitions of even our hitherto greatest seaport. They would find that a water route to the sea is after all an absolute necessity, and we would then begin the same job several years after the tide of opportunity had passed and after the blight of strangulation had already wreaked untold damage on our commerce.

Having once decided, as we must, that we can not turn our backs on the necessity of a waterway to the sea, it is of the utmost importance that we choose the right way. There are those who for selfish purposes would sacrifice our country's interests. We must understand what these people have in mind.

While I do not care to unduly take up the time of the House by merely advocating the St. Lawrence project—which has

been indorsed by at least 21 States as the only practicable route to the sea—I do wish to challenge the misconception that has been placed on the great amount of evidence in the hands of various bodies which unqualifiedly substantiates the conviction that the St. Lawrence is the most suitable and satisfactory route.

There is but one route planned and outlined by nature as an outlet of the Great Lakes to the sea and that is the St. Lawrence; simple geography and meager observation is the conclusive proof of this. The thought of this development is practically as old as the original thought of the predicted industrial greatness of the United States. When the transcontinental railroad was finished in the sixties it was agreed that some day water must take its place with the right of ways of transportation; that this vast country would eventually demand it. It is true that this line of thought has developed step by step. The Welland Canal, connecting two of the greatest lakes in the world, was one of them, an engineering feat thought impracticable and impossible at the time. Now comes to light in a most emphatic fashion the New York canal, or, to appeal to the people in a more favorable light, nicknamed the "all-American" canal, admitted by the proponents of the project to be almost a strictly artificial waterway and one which more properly might be termed the "un-American canal."

We admit that the great State of New York has done wonders in its development of water; that, in developing the territory within its boundaries, it has expended a sum of money nearly as great as was needed in building the Panama Canal, one of the wonders of the world, the greatest engineering accomplishment of which the Western Hemisphere can boast. One of these most costly projects of the State of New York is the barge canal, costing more millions than the full assessed value of some States of the Union. This artificial stream, better known as one of New York's white elephants, will be part of the pawn New York will give, and as was said by one of its advocates at the first hearing on the question—

New York offers it in the spirit of generosity and patriotism, in making a great contribution by the people of New York to its country.

The truth of the matter is that New York wishes she had never seen this barge canal, and one of the fundamental ideas in advocating the so-called all-American waterway is that she—New York—will be relieved of this expensive, cumbersome, properly termed "barge" canal, and the Federal Government will step in and not only improve this canal but will make the whole cross-section of the Empire State, from Oswego to Albany, the rendezvous of the bulk of ocean vessels of the world, and believe, gentlemen, it would be a veritable rendezvous—a place of long and tedious delays, because the congestion would be so great and the stops so necessarily frequent. Think of the time which must necessarily elapse in opening and closing the 29 locks and either lift or swing the 81 bridges.

Nor do I condemn the citizenry of the State of New York, and much less do I condemn the gentleman from New York, the chairman of the Rivers and Harbors Committee in Congress. It is only natural that they should want their own cities and State developed and want it improved without further expense to themselves; improved to the degree that it would contain within its boundaries possibly the greatest water system that any piece of territory of equal size in the world possesses. But, gentlemen, I do not consider this commendable in the face of the welfare of 105,000,000 people against 10,000,000 New Yorkers, who most naturally want to see their State, which is one of the greatest States in the Union in many respects and whose populace we know feel that New York is America and the rest of the country a mere adjunct, further developed. It would be utterly foolish to attempt to refute the statement that New York is a great Commonwealth, but I insist its greatness does not surpass in individuality that of any other State.

Why, gentlemen, this is one of the most serious transportation questions of the day—or, I might say, age—so far as we are concerned. The country needs a waterway and needs it badly, and we can not afford to be unnecessarily extravagant by building a water system to please the State of New York that can not possibly serve the country adequately, especially when the St. Lawrence system, so uniquely provided by nature, awaits only slight improvement compared to the New York route, improvement that will cost less than half of that which would be required by the "all-American."

Gentlemen, when this great undertaking is finished the American people expect to have something real, and it is all of the American people that are entitled to that realization, at least a majority of them. I say this Government can not afford to build two great waterways, and I will say further that the "all-American" advocates would have us do that very thing. If the New York system were built it would be found inade-

quate and could not properly take care of present traffic, nor possibly take care of future traffic, and we would have spent over \$500,000,000. We would then be forced to open the St. Lawrence, which, as I said before, has always been conceded as the natural outlet of the Great Lakes to the sea and the waterway desired by the majority of the States most interested.

I call your attention to the fact that we are not living in an age when Government centers around a conquering hero or a city as it did in the time of the old Greek and Dutch Republics, but in an age when "the relation of government toward industry and commerce is primarily that of preserving equality of opportunity for all."

There is still time for this Congress to immortalize itself and at the same time commemorate the name of the late Senator Charles E. Townsend, of Michigan, that able statesman who spent many of his best years in the Congress of the United States fathering the St. Lawrence water route to the sea.

I hope I have been able to impart to you something of the insight into this important question which I have gained through an exhaustive study of the subject over a long period of time. With that insight there is no other possible conclusion to be drawn than that the St. Lawrence waterway is the only feasible all-water route to the sea. I trust that I have been able to clear up any and all controversial questions that may have been in your minds in relation to this all-important matter.

The SPEAKER. The gentleman from Idaho moves to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 20: Page 43, line 22, after the figures "\$4,100,000," insert: "Provided further, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of \$250: *Provided further*, That all claims adjusted under this authority during the fiscal year shall be reported in detail to the Congress by the Secretary of the Navy."

Mr. FRENCH. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. FRENCH. I will be glad to yield to the gentleman.

Mr. BUTLER. Will the gentleman make just a brief explanation of the necessity for this provision? This is something I know nothing about at all. It authorizes the Government to pay for damages by airplanes. Did the gentleman read the hearings conducted by the Senate upon this matter? Does the gentleman know the necessity for this legislation? I would like to be told about it. Where will this lead?

Mr. FRENCH. Mr. Speaker, this language has been carried in a great many of the appropriation bills—

Mr. BUTLER. With respect to ships.

Mr. FRENCH. And goes back to the time when the appropriation bills were reported from the gentleman's committee. It provides that when accidents occur that result in damage less than \$250 in amount, the department may make settlement. The question was brought before our committee. We made inquiry, and we found that the advantage of adjusting small claims that may arise through some accident is very great, and that the Government is money ahead by making the settlement shortly after the damage occurs instead of letting it drag along for years to be acted on through the Court of Claims or by the Congress. We were told that last year the moneys expended for this purpose were probably not in excess of \$500. Of course, we can not prophesy what will occur, but I think it is good business and good judgment to let the department adjust any small damage claims that may arise by reason of accidents.

The SPEAKER pro tempore (Mr. LEHLBACH). The question is on the motion of the gentleman from Idaho to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 37: Page 55, line 16, after the word "plant," insert a semicolon and the following: "and that no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article, or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and

facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government."

Mr. FRENCH. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

CELEBRATION AT WILLIAMSBURG, VA.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent that when the House adjourns to-morrow, Friday, it will adjourn over until Monday. I make the request for this purpose: There occurs at Williamsburg, Va., on Saturday, the celebration of a very extraordinary historical event, an event that in my opinion marks the historical and logical genesis of the Declaration of Independence, and which has been recognized by this House in the form of a concurrent resolution, and in pursuance of which a committee of five Members of this House and five Members of the Senate has been appointed. This adjournment would be a very appropriate recognition of the one hundred and fiftieth anniversary of an historical event that should not escape the attention of the country, and especially of the legislative body of the country, the Congress of the United States. So with diffidence, but with some patriotism I hope, I submit this request to the consideration of the House. [Applause.]

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

APPOINTMENT AND SALARY OF JUDGES OF THE UNITED STATES

Mr. SNELL, chairman of the Committee on Rules, presented for printing a resolution (H. Res. 265) in connection with the bill (H. R. 10821) for the appointment of certain additional judges and the bill (S. 2858) to fix the salaries of certain judges of the United States.

VALIDATING APPLICATIONS AND ENTRIES OF PUBLIC LANDS

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9037) validating certain applications and entries on public land and agree to the Senate amendments.

The SPEAKER pro tempore. The Clerk will read the title.

The Clerk read the title, as follows:

A bill (H. R. 9037) to validate certain applications for and entries of public lands, and for other purposes.

The SPEAKER pro tempore. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

TRANSPORTATION OF BLACK BASS

Mr. PARKER. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce, I call up the bill S. 3440 from the Speaker's table, a similar bill having been reported and on the calendar, H. R. 71.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

A bill (S. 3440) to regulate the interstate transportation of black bass, and for other purposes

Be it enacted, etc., That when used in this act the word "person" includes company, partnership, corporation, association, and common carrier.

SEC. 2. It shall be unlawful for any person to deliver to any common carrier for transportation, or for any common carrier or for any person knowingly to transport or carry by any means whatsoever, from any State, Territory, or the District of Columbia, to or through any other State, Territory, or the District of Columbia, or to or through any foreign country, any large-mouth black bass (*Micropterus salmoides*) or any small-mouth black bass (*Micropterus dolomieu*) which has either been caught, sold, purchased, or possessed in violation of the law of the State, Territory, or the District of Columbia wherein the delivery of such black bass for transportation is made or the transaction or the carrying thereof begins.

SEC. 3. Any person violating the provisions of this act shall, upon conviction thereof, be punished by fine not exceeding \$200, or imprisonment for a term of not more than three months, or by both such fine and imprisonment, in the discretion of the court.

SEC. 4. Nothing in this act shall be construed to prevent the several States and Territories from making or enforcing laws or regulations not inconsistent with the provisions of this act, or from making or enforcing laws or regulations which shall give further protection to large and small mouth black bass.

SEC. 5. Nothing in this act shall be construed to prevent the shipment in interstate commerce of live fish and eggs for breeding or stocking purposes.

SEC. 6. This act shall become effective immediately upon its passage and approval.

Mr. PARKER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Speaker, this bill was introduced at the request of the fishermen and sportsmen of America. It is a very simple bill, following what is called the Lacey Act, passed some years ago, relating to the transportation of game birds and fur-bearing animals. It provides that where a State prohibits the commercial sale of black bass, that sale shall be prohibited in interstate commerce. It does not interfere with the rights of the State. It does not change the jurisdiction of a State, and it does provide protection against the fish hog.

It is intended to stop the destruction of black bass, a favorite game fish which inhabits all the fresh waters of America. It does not interfere with the transportation of black bass captured by the fisherman. All that it does is to prevent the transportation in interstate commerce of black bass taken from a State where the law prohibits its commercial sale.

Mr. CRAMTON. Will the gentleman yield?

Mr. HAWES. I will.

Mr. CRAMTON. I was not able to follow the reading of the bill. Is the effect of the bill in any degree to transfer from the State to the Federal Government the responsibility of enforcing the law protecting black bass?

Mr. HAWES. No; it does not.

Mr. NEWTON of Minnesota. It is drawn along the same general principles as the Lacey Act?

Mr. HAWES. Identically. The bill is intended to aid in the conservation of black bass by assisting the enforcement of State statutes. It is not a violation or usurpation of State authority; it merely supplements State authority by aiding the enforcement of State opinion expressed in legislative enactment.

It will not prevent the transportation of bass caught or carried by individuals for their own use under the limitation made by the State where procured.

It will strengthen the laws of any State wherein the taking of bass commercially is prohibited. In some States, where such law is now on the statute books, its effect is nullified by the fact that black bass are shipped out of the State in barrels, with rough fish at the top and bottom and the bass in between.

A State which for conservation purposes denies for a limited period the sale of black bass to its own citizens frequently finds that its State enactments are nullified by bass being taken from the waters of its own State where its commercial use is prohibited to its own citizens and transported from that State and sold to the citizens of another State, thus destroying the State conservation program and giving to the citizens of another State the benefit of commercial consumption which is denied its own citizens.

Mr. PARKER. Mr. Speaker, I yield to the gentleman from Alabama [Mr. HUDDLESTON] 30 minutes.

Mr. HUDDLESTON. Mr. Speaker, this bill provides that anyone who transports in interstate commerce a black bass which has been caught in violation of the statute of any State shall be guilty of a Federal offense. He is to be prosecuted in a Federal court and sent to a Federal prison. The purpose of the bill is to unload on the Federal Government the burden of enforcing State fish laws. The only argument for it is that it will afford a very convenient and satisfactory means of prosecuting violators of State fish laws, will remove the accused from local sentiment and sympathies, and impose upon him a more drastic penalty.

The bill is not intended to protect the bass in States in which it is not now protected by State law. It does not forbid catching bass nor destroying them in any way. It is aimed merely at their transportation across State lines where they have been previously caught in violation of a State law.

The bill is in line with a good deal of recent congressional action. It is of the same nature as the Mann White Slavery Act, the car breaking act, the Dyer Interstate Automobile Act, and others of similar nature. Numerous other similar bills are pending, such as bills to prevent interstate commerce in pistols and similar bills. It is in line with all the numerous invasions of the police powers of the States, under the cloak of the commerce clause of the Constitution. Where these efforts will end, no man knows. Carried to its logical extremity, there is practically no activity which may be performed within a State upon which the Federal Government can not lay its hand under the commerce clause.

The situation leads to the inquiry: Is our system of value or is it not? Is there value in a governmental system which provides for the exercise by the separate States of their police powers, or should we consolidate all governmental powers in the hands of Federal authority and leave the Federal Government as the sole governmental agency to deal with the situation? That is a question which each of those interested in political principles must answer for himself.

Again we must ask: Is there value in the principle of local self-government? Is there any reason why people of a locality should be trusted to deal with matters relating to themselves alone, or should we leave purely local matters to a supreme government seated at some remote place and out of touch with local conditions themselves? This Members must also answer to their own satisfaction.

As for me, I am an old-fashioned man. I believe in our traditions. I believe in our existing institutions. To me they are not merely matters of convenience. They represent substantial principles of governmental policy, which can not be violated with impunity. I believe in the Constitution, and in my efforts to honor it I shall not confine myself merely to its letter but will conform to its spirit. I will not, under the cloak of the commerce clause and under the pretense of regulating interstate commerce, deliberately violate the police jurisdiction of a State. Others may proceed as their lights may guide them.

The bass is king. He is king among fish, and he is also king among men. At his behest principles bow their heads in humble submission. Customs curtsy to him as they do to all kings. Great committees of Congress use the mighty tongs of their machinery to pick up a pinhead in the form of a statute for his protection. Dignified Members yoke themselves up to his car. Great political parties bow and scrape and do him obeisance. The bass is king, and the catfish has no rights that he is bound to respect. [Applause and laughter.]

I congratulate the gentleman from Missouri [Mr. HAWES], the author of the House bill, which is the same as the Senate bill. Parties and partisan spirit have bowed themselves before him as the prime minister of the king of fishes. From March 4, 1919, to the present moment this is the first bill introduced by a Democrat that has been permitted to come before the House for passage—I mean a bill of a general nature or of any importance. I make no complaint on that score. It is a custom of the House for the majority party to control.

The Republicans are in a majority in both Houses of Congress. They have the Presidency. They are responsible for the Government. During that seven years had anything good been done, which it has not, the credit would have been theirs. For all of the failures and omissions of Government, for all of its faults, the responsibility lies upon the Republicans. They have the right not to pay any attention to a bill fathered by a Democrat. They have exercised this right for more than seven years. For more than seven years no Democrat has been permitted to father a bill of any importance which has passed the House.

But this spirit of partisanship and this partisan practice has bowed to King Bass, whose champion the gentleman from Missouri [Mr. HAWES] is. When the interests of this king of fish are involved, majorities dissolve and cease to function. Partisan committees fall over themselves in haste to report the bill. In such a glorious cause even a member of the despised and lowly Democratic Party is permitted to write a bill and to get it before the House. It is about to be passed. Put a feather in your cap, Mr. HAWES, because you have done a great work.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. CANNON. Did the gentleman overlook the precedent that was created in the last Congress when a bill creating a game refuge on the Mississippi, also introduced by the gentleman from Missouri [Mr. HAWES], passed both Houses and is now on the statute books?

Mr. HUDDLESTON. The gentleman will remember that I said "a bill of any importance." Except for the fact that this is a black bass bill, I would say that it is of no importance; but I can not be so presumptuous as to say that a bill which represents a tribute to this king of fishes is a bill of no importance. [Laughter.]

Mr. RUBEY. Is it not a fact that the Aswell agricultural bill is before the House at this time?

Mr. HUDDLESTON. No; that bill is not before the House. In point of fact, there is not anything before the House in respect to agriculture except some anxious Congressmen with a weather eye on the next election [laughter]; and, God knows, I sympathize with these my brethren.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. HUDDLESTON. I do not want to get too far afield. I yield.

Mr. SABATH. In view of what the gentleman states, is it not a fact that the gentleman from Missouri is a man who, having great influence here, would yield the same influence in another body?

Mr. HUDDLESTON. I have just said as much.

Mr. BARKLEY. And inasmuch as the gentleman from Missouri has been able to do this for the bass as a Member of

the House, might we not hope that if he is transported to another body he might do something for the cat?

Mr. HUDDLESTON. For the catfish; yes. [Laughter.] The gentleman from Missouri [Mr. Hawes] is a great sportsman. He loves dogs. I remember the eloquent tribute he paid to dogs here on the floor of the House, and now here he comes along with a bass bill. Of course he is interested in the bass bill for the sake of the bass, not for the pleasure of catching him, and not so much in the interest of the people who want to catch and eat the bass as in the bass himself.

I know you are going to vote for this bill, and I do not care a hoot. Among the very few things that I learned when I went to the law school long years ago was that the victim of an attack will be considered to have consented unless when it is possible to do so an outcry is not made. I am now making my outcry, and it is immaterial to me just what you do.

I know you are going to vote for the bill. Here the bass is involved, and he is of vast importance. But just here let me read you a little lecture. I do it with all humility and recognizing my own shortcomings and weaknesses. Always I see a greater light than I am able to follow, but let me read a lecture to you, my brethren. The crying need in the Congress of the United States is for men of principle [applause], men of heart and brain enough to fix upon a set of political principles as a guide for their conduct, and with courage enough, having fixed upon them, to adhere to them through night and day, under all circumstances, and without fear or favor. [Applause.]

If this Republic is to be saved, it will be saved by men like that. If it is to be lost, and if its traditions are to be destroyed, it will be by those who act here merely in accordance with the dictates of convenience and in obedience to unthinking or selfish constituencies. [Applause.]

The trouble here is that we forget principle and yield to mere convenience. Always the question is, What is the most convenient way to do this thing that I wish done? We have in our minds ends which we wish to accomplish. We strive to get through to these ends. We do not sufficiently regard the cost of getting through. We usually break through with the weight of a majority who do not think. We do not hold to high principle and take it as our sole guide and regard the mere end as a matter of secondary importance. In short, we have not yet unlearned the folly of Machiavelli. All of us agree that principles are worth while. All assert loudly that we want to follow them and that it is ruinous not to do so. We say that we do not believe that the end justifies the means, yet too often, almost always, we act as though a desirable end is everything and the means to it is of no moment.

By this bill we want to protect the bass in his cool retreat. Well, the most convenient way to do it is to unlimber the great powers of the Federal Government, invoke the Federal judiciary, call out the Army and Navy. That it violates our principles is nothing; that it makes a farce of the American system is nothing; that as a precedent it is fraught with great danger is nothing; that it is in principle and in spirit a violation of the Constitution is nothing, provided we may find a legalistic cloak for our action under the commerce clause. [Applause.]

Gentlemen stand in the House and cry with a loud voice against the tendency of the Federal Government to usurp the powers of the States. In season and out of season they cry out against the centralization of government in Washington. Oh, you all do that. Hardly a meeting of citizens can be gathered together anywhere without some public man getting up and puffing out his chest and crying out against centralization and the interference by the Federal Government with the functions of the State and with the liberties of the people. Especially are such outcries heard at meetings of business men, and there they sound a strident note against interference with the activities of business. Business men are not usually greatly interested in civil liberties, but they are tremendously interested in the right of those engaged in business to do whatever they may that will bring in profits.

The gentleman from Missouri [Mr. Hawes] is one of the main "criers out" against centralization, but, just like the rest, when he gets an opportunity to do something that he wants to do, to accomplish some purpose that is next to his heart, then away with theories and away with opposition to centralization, and "Come to my arms, you black bass." [Laughter.] But I am far from intending by that remark to call my good friend Mr. Hawes, for whom I have great respect and admiration, "a big fish." He has sworn allegiance to the king of fishes, and he must serve him, at no matter what a sacrifice of consistency. But other Members are yet free to make a righteous decision. I wonder whether they will prove themselves "big fishes" and fail to stand by their principles.

Do you believe in the exercise by the States of the police powers reserved to them by the Constitution, or do you believe

in invading these powers under the pretense of regulating interstate commerce? The answer will be shown by the way you vote on this bill. This is all I have to say, and as it is, it is too much. [Applause.]

Mr. Speaker, I yield back the balance of my time. [Applause.] The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was read a third time.

The SPEAKER pro tempore. The question is, Shall the bill pass?

The question was taken, and the Speaker pro tempore expressed himself as being in doubt.

The SPEAKER pro tempore. As many as are in favor of passing the bill will rise in their places and stand until they are counted.

The House divided; and there were—ayes 104, noes 37.

So the bill was passed.

The SPEAKER pro tempore. Without objection, the House bill 71, of like import with the Senate bill, will be laid on the table.

There was no objection.

A motion to reconsider the vote whereby the Senate bill was passed was ordered to be laid on the table.

LIGHTHOUSE BILL

Mr. PARKER. Mr. Speaker, I ask unanimous consent, with respect to the bill H. R. 10860, which was passed by the House and amended in one particular by the Senate, that the House agree to the Senate amendment. The bill is what is commonly known as the lighthouse bill. One amendment was put on by the Senate which granted a strip of land in the State of Massachusetts, down on Cape Cod, on which there was a lighthouse. It is a stub-end right of way, the rights of way on either side having been deeded back by the Government to the people who formerly owned the land. After the bill is reported I will explain it further.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill H. R. 10860, with a Senate amendment, and concur in the amendment of the Senate. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 10860) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes.

Mr. CONNALLY of Texas. Mr. Speaker, how many bills is the gentleman going to bring in?

Mr. PARKER. One more conference report on civil aviation.

Mr. CONNALLY of Texas. Does not the gentleman think that is chicken feed as compared in importance with the consideration of the farm relief bills?

Mr. PARKER. I am going to bring in one more bill.

The SPEAKER pro tempore. The Clerk will report the Senate amendment.

The Senate amendment was read.

The SPEAKER pro tempore. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

AIRCRAFT IN COMMERCE

Mr. PARKER. Mr. Speaker, I wish to call up the conference report on the Senate bill 41.

The SPEAKER pro tempore. The gentleman from New York calls up the conference report on Senate bill 41. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

Mr. PARKER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that the statement be read in lieu of the report. Without objection, the Clerk will read the statement.

The statement was read.

Following are the conference report and accompanying statement:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That as used in this act, the term 'air commerce' means transportation in whole or in part by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of aircraft from one place to another for operation in the conduct of a business. As used in this act, the term 'interstate or foreign air commerce' means air commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through the airspace over any place outside thereof; or wholly within the airspace over any Territory or possession or the District of Columbia.

"Sec. 2. Promotion of air commerce.—It shall be the duty of the Secretary of Commerce to foster air commerce in accordance with the provisions of this act, and for such purpose—

"(a) To encourage the establishment of airports, civil airways, and other air navigation facilities.

"(b) To make recommendations to the Secretary of Agriculture as to necessary meteorological service.

"(c) To study the possibilities for the development of air commerce and the aeronautical industry and trade in the United States and to collect and disseminate information relative thereto and also as regards the existing state of the art.

"(d) To advise with the Bureau of Standards and other agencies in the executive branch of the Government in carrying forward such research and development work as tends to create improved air navigation facilities. The Secretary of Commerce is authorized to transfer funds available for carrying out the purposes of this subdivision to any such agency for carrying forward such research and development work in cooperation with the Department of Commerce.

"(e) To investigate, record, and make public the causes of accidents in civil air navigation in the United States.

"(f) To exchange with foreign governments through existing governmental channels information pertaining to civil air navigation.

"Sec. 3. Regulatory powers.—The Secretary of Commerce shall by regulation—

"(a) Provide for the granting of registration to aircraft eligible for registration, if the owner requests such registration. No aircraft shall be eligible for registration (1) unless it is a civil aircraft owned by a citizen of the United States and not registered under the laws of any foreign country, or (2) unless it is a public aircraft of the Federal Government, or of a State, Territory, or possession, or of a political subdivision thereof. All aircraft registered under this subdivision shall be known as aircraft of the United States.

"(b) Provide for the rating of aircraft of the United States as to their airworthiness. As a basis for rating, the Secretary of Commerce (1) may require, before the granting of registration for any aircraft first applying therefor more than eight months after the passage of this act, full particulars of the design and of the calculations upon which the design is based and of the materials and methods used in the construction; and (2) may in his discretion accept in whole or in part the reports of properly qualified persons employed by the manufacturers or owners of aircraft; and (3) may require the periodic examination of aircraft in service and reports upon such examination by officers or employees of the Department of Commerce or by properly qualified private persons. The Secretary may accept any such examination and report by such qualified persons in lieu of examination by the employees of the Department of Commerce. The qualifications of any person for the purposes of this section shall be demonstrated in a manner specified by and satisfactory to the Secretary. The Secretary may, from time to time, rerate aircraft as to their airworthiness upon the basis of information obtained under this subdivision.

"(c) Provide for the periodic examination and rating of airmen serving in connection with aircraft of the United States as to their qualifications for such service.

"(d) Provide for the examination and rating of air navigation facilities available for the use of aircraft of the United States as to their suitability for such use.

"(e) Establish air traffic rules for the navigation, protection, and identification of aircraft, including rules as to safe altitudes of flight and rules for the prevention of collision between vessels and aircraft.

"(f) Provide for the issuance and expiration, and for the suspension and revocation, of registration, aircraft, and airman certificates, and such other certificates as the Secretary of Commerce deems necessary in administering the functions vested in him under this act. Within 20 days after notice that

application for any certificate is denied or that a certificate is suspended or revoked, the applicant or holder may file a written request with the Secretary of Commerce for a public hearing thereon. The Secretary upon receipt of the request shall forthwith (1) arrange for a public hearing to be held within 20 days after such receipt in such place as the Secretary deems most practicable and convenient in view of the place of residence of the applicant or holder and the place where evidence bearing on the cause for the denial, suspension, or revocation is most readily obtainable, and (2) give the applicant or holder at least 10 days' notice of the hearing, unless an earlier hearing is consented to by him. Notice under this subdivision may be served personally upon the applicant or holder or sent him by registered mail. The Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, may hold any such hearing and for the purposes thereof administer oaths, examine witnesses, and issue subpoenas for the attendance and testimony of witnesses, or the production of books, papers, documents, and other evidence, or the taking of depositions before any designated individual competent to administer oaths. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary for decision in the matter to be rendered not later than 10 days after completion of the hearing. The decision of the Secretary, if in accordance with law, shall be final. The denial, suspension, or revocation shall be invalid unless opportunity for hearing is afforded, notice served or sent, and decision rendered within the respective times prescribed by this subdivision.

"Sec. 4. Airspace reservations.—The President is authorized to provide by Executive order for the setting apart and the protection of air-space reservations in the United States for national defense or other governmental purposes and, in addition, in the District of Columbia for public-safety purposes. The several States may set apart and provide for the protection of necessary air-space reservations in addition to and not in conflict either with air-space reservations established by the President under this section or with any civil or military airway designated under the provisions of this act.

"Sec. 5. Aids to air navigation.—(a) Whenever at any time the Postmaster General and the Secretary of Commerce by joint order so direct, the airways under the jurisdiction and control of the Postmaster General, together with all emergency landing fields and other air-navigation facilities (except airports and terminal landing fields) used in connection therewith, shall be transferred to the jurisdiction and control of the Secretary of Commerce, and the established airports and terminal landing fields may be transferred to the jurisdiction and control of the municipalities concerned under arrangement subject to approval by the President. All unexpended balances of appropriations which are available for and which have been allotted for expenditure upon such airways, emergency landing fields, and other air-navigation facilities, except airports and terminal landing fields, shall thereupon be available for expenditure under the direction of the Secretary of Commerce, in lieu of the Postmaster General, for the purposes for which such appropriations were made. No part of such unexpended balances of appropriations shall be used for the purchase or establishment of airports or terminal landing fields.

"(b) The Secretary of Commerce is authorized to designate and establish civil airways and, within the limits of available appropriations hereafter made by the Congress, (1) to establish, operate, and maintain along such airways all necessary air-navigation facilities except airports; and (2) to chart such airways and arrange for publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the Government so far as practicable. The Secretary of Commerce shall grant no exclusive right for the use of any civil airway, airport, emergency landing field, or other air-navigation facility under his jurisdiction.

"(c) Air-navigation facilities owned or operated by the United States may be made available for public use under such conditions and to such extent as the head of the department or other independent establishment having jurisdiction thereof deems advisable and may by regulation prescribe.

"(d) The head of any Government department or other independent establishment having jurisdiction over any airport or emergency landing field owned or operated by the United States may provide for the sale to any aircraft of fuel, oil, equipment, and supplies, and the furnishing to it of mechanical service, temporary shelter, and other assistance under such regulations as the head of the department or establishment may prescribe, but only if such action is by reason of an emergency necessary

to the continuance of such aircraft on its course to the nearest airport operated by private enterprise. All such articles shall be sold and such assistance furnished at the fair market value prevailing locally as ascertained by the head of such department or establishment. All amounts received under this subdivision shall be covered into the Treasury; but that part of such amounts which, in the judgment of the head of the department or establishment, is equivalent to the cost of the fuel, oil, equipment, supplies, services, shelter, or other assistance so sold or furnished shall be credited to the appropriation from which such cost was paid, and the balance, if any, shall be credited to miscellaneous receipts.

"(e) Section 3 of the act entitled 'An act to increase the efficiency and reduce the expense of the Signal Corps of the Army, and to transfer the Weather service to the Department of Agriculture,' approved October 1, 1890, is amended by adding at the end thereof a new paragraph to read as follows:

"Within the limits of the appropriations which may be made for such purpose, it shall be the duty of the Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, (a) to furnish such weather reports, forecasts, warnings, and advices as may be required to promote the safety and efficiency of air navigation in the United States and above the high seas, particularly upon civil airways designated by the Secretary of Commerce under authority of law as routes suitable for air commerce, and (b) for such purposes to observe, measure, and investigate atmospheric phenomena, and establish meteorological offices and stations."

"(f) Nothing in this act shall be construed to prevent the Secretary of War from designating routes in the navigable air space as military airways and prescribing rules and regulations for the use thereof on routes which do not conform to civil airways established hereunder, or to prevent the Secretary of Commerce from designating any military airway as a civil airway, and when so designated it shall thereupon become a civil airway within the meaning of this act, and the Secretary of War is hereby authorized to continue the operation of air navigation facilities for any military airway so designated as a civil airway until such time as the Secretary of Commerce can provide for the operation of such facilities.

"SEC. 6. Foreign aircraft.—(a) The Congress hereby declares that the Government of the United States has, to the exclusion of all foreign nations, complete sovereignty of the airspace over the lands and waters of the United States, including the Canal Zone. Aircraft a part of the armed forces of any foreign nation shall not be navigated in the United States, including the Canal Zone, except in accordance with an authorization granted by the Secretary of State.

"(b) Foreign aircraft not a part of the armed forces of the foreign nation shall be navigated in the United States only if authorized as hereinafter in this section provided; and if so authorized, such aircraft and airmen serving in connection therewith, shall be subject to the requirements of section 3, unless exempt under subdivision (c) of this section.

"(c) If a foreign nation grants a similar privilege in respect of aircraft of the United States, and/or airmen serving in connection therewith, the Secretary of Commerce may authorize aircraft registered under the law of the foreign nation and not a part of the armed forces thereof to be navigated in the United States, and may by regulation exempt such aircraft, and/or airmen serving in connection therewith, from the requirements of section 3, other than the air traffic rules; but no foreign aircraft shall engage in interstate or intrastate air commerce.

"SEC. 7. Application of existing laws relating to foreign commerce.—(a) The navigation and shipping laws of the United States, including any definition of 'vessel' or 'vehicle' found therein and including the rules for the prevention of collisions, shall not be construed to apply to seaplanes or other aircraft or to the navigation of vessels in relation to seaplanes or other aircraft.

"(b) The Secretary of the Treasury is authorized to (1) designate places in the United States as ports of entry for civil aircraft arriving in the United States from any place outside thereof and for merchandise carried on such aircraft, (2) detail to ports of entry for civil aircraft such officers and employees of the customs service as he may deem necessary, and to confer or impose upon any officer or employee of the United States stationed at any such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the customs service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to

the administration of the customs and public health laws to such extent and upon such conditions as he deems necessary.

"(c) The Secretary of Commerce is authorized by regulation to provide for the application to civil aircraft of the laws and regulations relating to the entry and clearance of vessels to such extent and upon such conditions as he deems necessary.

"(d) The Secretary of Labor is authorized to (1) designate any of the ports of entry for civil aircraft as ports of entry for aliens arriving by aircraft, (2) detail to such ports of entry such officers and employees of the Immigration Service as he may deem necessary, and to confer or impose upon any employee of the United States stationed at such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the Immigration Service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the immigration laws to such extent and upon such conditions as he deems necessary.

"SEC. 8. Additional Assistant Secretary of Commerce.—To aid the Secretary of Commerce in fostering air commerce and to perform such functions vested in the Secretary under this act as the Secretary may designate, there shall be an additional Assistant Secretary of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate, and whose compensation shall be fixed in accordance with the classification act of 1923. Except as otherwise specifically provided, the Secretary of Commerce shall administer the provisions of this act, and for such purpose is authorized (1) to make such regulations as are necessary to execute the functions vested in him by this act; (2) to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for law books, books of reference, and periodicals) as may be necessary for such administration and as may be provided for by the Congress from time to time; (3) to publish from time to time a bulletin setting forth such matters relating to the functions vested in him by this act as he deems advisable, including air navigation treaties, laws, and regulations and decisions thereunder; and (4) to operate, and for this purpose to acquire within the limits of the available appropriations hereafter made by the Congress, such aircraft and air-navigation facilities, except air ports, as are necessary for executing the functions vested in the Secretary of Commerce by this act.

"SEC. 9. Definitions.—As used in this act—

"(a) The term 'citizen of the United States' means (1) an individual who is a citizen of the United States or its possessions, or (2) a partnership of which each member is an individual who is a citizen of the United States or its possessions, or (3) a corporation or association created or organized in the United States or under the law of the United States or of any State, Territory, or possession thereof, of which the president and two-thirds or more of the board of directors or other managing officers thereof, as the case may be, are individuals who are citizens of the United States or its possessions and in which at least 51 per cent of the voting interest is controlled by persons who are citizens of the United States or its possessions.

"(b) The term 'United States,' when used in a geographical sense, means the territory comprising the several States, Territories, possessions, and the District of Columbia (including the territorial waters thereof), and the overlying air space; but shall not include the Canal Zone.

"(c) The term 'aircraft' means any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, except a parachute or other contrivance designed for such navigation but used primarily as safety equipment.

"(d) The term 'public aircraft' means an aircraft used exclusively in the governmental service.

"(e) The term 'civil aircraft' means any aircraft other than a public aircraft.

"(f) The term 'aircraft of the United States' means any aircraft registered under this act.

"(g) The term 'airport' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft and which provides facilities for shelter, supply, and repair of aircraft; or a place used regularly for receiving or discharging passengers or cargo by air.

"(h) The term 'emergency landing field' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft, is located along an airway, and is intermediate to airports connected by the airway, but which is not equipped with facilities for shelter, supply, and repair of air-

craft and is not used regularly for the receipt or discharge of passengers or cargo by air.

"(i) The term 'air navigation facility' includes any airport, emergency landing field, light or other signal structure, radio directional finding facility, radio or other electrical communication facility, and any other structure or facility used as an aid to air navigation.

"(j) The term 'civil airway' means a route in the navigable air space designated by the Secretary of Commerce as a route suitable for interstate or foreign air commerce.

"(k) The term 'airman' means any individual (including the person in command and any pilot, mechanic, or member of the crew) who engages in the navigation of aircraft while under way, and any individual who is in charge of the inspection, overhauling, or repairing of aircraft.

"SEC. 10. Navigable air space—As used in this act, the term 'navigable air space' means air space above the minimum safe altitudes of flight prescribed by the Secretary of Commerce under section 3, and such navigable air space shall be subject to a public right of freedom of interstate and foreign air navigation in conformity with the requirements of this act.

"SEC. 11. Penalties—(a) It shall be unlawful, except to the extent authorized or exempt under section 6—

"(1) To navigate any aircraft within any air-space reservation otherwise than in conformity with the Executive orders regulating such reservation.

"(2) To navigate any aircraft (other than a foreign aircraft) in interstate or foreign air commerce unless such aircraft is registered as an aircraft of the United States; or to navigate any foreign aircraft in the United States.

"(3) To navigate any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an aircraft certificate or in violation of the terms of any such certificate.

"(4) To serve as an airman in connection with any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an airman certificate or in violation of the terms of any such certificate.

"(5) To navigate any aircraft otherwise than in conformity with the air traffic rules.

"(b) Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7, or (2) any customs or public health regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penalty of \$500 which may be remitted or mitigated by the Secretary of Commerce, the Secretary of the Treasury, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact if the value in controversy exceeds \$20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States, shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States, and under its direction other courts of the United States, are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary shall give notice thereof to the United States attorney prosecuting the libel proceedings.

"(c) Any aircraft subject to a lien for any civil penalty imposed under this section may be summarily seized by and placed in the custody of such persons as the appropriate Secretary may by regulation prescribe and a report of the case thereupon transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Secretary of his failure so to act. The aircraft shall be released from such custody upon (1) payment of the penalty or so much thereof as is not remitted or mitigated, (2) seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings, or (3) deposit of a bond in such amount

and with such sureties as the Secretary may prescribe, conditioned upon the payment of the penalty or so much thereof as is not remitted or mitigated.

"(d) Any person who fraudulently forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this act, or knowingly uses or attempts to use any such fraudulent certificate shall be guilty of an offense punishable by a fine not exceeding \$1,000 or by imprisonment not exceeding three years, or by both such fine and imprisonment.

"(e) Any person (1) who, with intent to interfere with air navigation in the navigable air space or waters of the United States, exhibits within the United States any false light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal required by regulation under this act, or for a true light or signal in connection with an airport or other air navigation facility, or (2) who, after due warning from the Secretary of Commerce continues to maintain any false light or signal, or (3) who knowingly removes, extinguishes, or interferes with the operation of any such true light or signal, or (4) who without lawful authority knowingly exhibits any such true light or signal shall be guilty of an offense punishable by a fine not exceeding \$5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

"(f) All penalties paid under this act shall be covered into the Treasury as miscellaneous receipts.

"SEC. 12. Separability: If any provision of this act is declared unconstitutional or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

"SEC. 13. Time of taking effect: This act shall take effect upon its passage; except that no penalty shall be enforced for any violation thereof occurring within 90 days thereafter.

"SEC. 14. Short title: This act may be cited as the 'Air Commerce Act of 1926'."

And the House agree to the same.

JAMES S. PARKER,
JOHN G. COOPER,
SCHUYLER MERRITT,
SAM RAYBURN,
CLARENCE F. LEA,

Managers on the part of the House.

WESLEY L. JONES,
BERT M. FERNALD,
HIRAM BINGHAM,
DUNCAN U. FLETCHER,
JOSEPH E. RANDELL,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The Senate receded from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment.

The essential differences between the Senate bill and the House amendment may be enumerated as follows:

"1. Registration: The Senate bill restricted compulsory registration to aircraft engaging in interstate and foreign commerce, whether or not in the navigable air space. The House amendment covered all air navigation in the navigable air space, whether in interstate or intrastate commerce, and whether commercial or noncommercial. The substitute requires the registration of aircraft engaged in the following classes of commercial air navigation:

"(a) The transportation in interstate or foreign commerce of persons or property for hire, either in whole or in part by aircraft, whether or not the air portion of the transportation is interstate or foreign or is intrastate. The transportation of property for hire includes the transportation of the mails by aircraft.

"(b) The interstate and foreign navigation of aircraft in furtherance of a business, as, for instance, the transportation of factory products from the main plant to a branch office, or the use of aircraft by salesmen or insurance agents or professional men while traveling upon business. The clause of course would not cover the use of aircraft for the purpose of transportation from home to office. The clause would have no un-

reasonably restrictive application to flights for scientific or experimental purposes in furtherance of a business, for the reason that such flights would not ordinarily be interstate or foreign, but would be conducted wholly within the limits of one State.

"(c) The interstate or foreign navigation of aircraft from one place to another in the operation or conduct of a business. This clause would cover the gipsy flyer and the exhibitor at county fairs if he navigated his aircraft from a place of exhibition in one State to a place of exhibition in another State, or from a place in one State where he conducts intrastate transportation for hire to a place in another State where he conducts intrastate transportation for hire.

"Under both the Senate bill and the House amendment aircraft were eligible for registration only if owned by citizens of the United States. Under the Senate bill a corporation was deemed to be a citizen if two-thirds of the stock, whether voting or nonvoting, was owned by United States citizens. The House amendment provided for such registration in case of a corporation if 51 per cent of the voting stock is controlled by citizens of the United States. The substitute requires 51 per cent of the voting stock to be controlled by citizens of the United States.

"Under both the Senate bill and House amendment aircraft eligible for registration could obtain registration even though not required to do so by the penalty provisions. The substitute retains this provision, together with the requirement that any aircraft obtaining registration, whether or not required to register, must conform to the regulations as to airworthiness and as to the certification of its airmen.

"2. Rating of aircraft: The Senate bill provides for the inspection of each aircraft before it is used in interstate or foreign commerce and the certification of its condition, capacity, and safety at the date of inspection. Further, from time to time thereafter the Secretary of Commerce is authorized to inspect and test the aircraft as to its airworthiness. The House amendment authorized the Secretary of Commerce to provide for the examination and rating upon registration and periodically thereafter of registered aircraft as to their airworthiness. The House amendment would not require the examination to be made by officers of the Government. The substitute requires the Secretary to provide for the examination and rating of registered aircraft as to their airworthiness. It further provides specifically that the Secretary may require periodic examinations to be made of aircraft in service and reports thereon either by officers or employees of the Department of Commerce or by properly qualified private persons. In addition, the Secretary may, in his discretion, accept as a basis for rating the reports of properly qualified persons employed by manufacturers or owners of aircraft, and after the first eight months after the passage of the act may deny registration to any aircraft applying therefor unless full particulars of the design and the calculations upon which the design is based and the materials and methods used in the construction are furnished him. The Secretary may, from time to time, rerate aircraft upon the basis of the above information.

"3. Rating of airmen: The Senate bill authorized the Secretary of Commerce to examine and determine the qualifications of individuals to serve as airmen upon or in connection with any aircraft in the United States. The House amendment provided for the periodic examination of any airman serving upon or in connection with registered aircraft. The substitute adopts the provision of the House amendment.

"4. Rating of air-navigation facilities: The House amendment provided for the periodic examination and rating of air-navigation facilities. The Senate bill contained no such provision. The substitute adopts the House provision except that such examination and rating need not be periodic.

"5. Air traffic rules: The Senate bill provided the Secretary should establish aerial traffic rules for the manner of navigating and operating civil aircraft in interstate or foreign commerce. The House amendment provided that the Secretary of Commerce shall by regulation establish air traffic rules for the navigation and protection of aircraft in the navigable air space or waters of the United States, including rules for taking off and alighting, signal rules for land and water structures, rules for safe altitudes for flight, rules for identification and marking, rules for maintenance of log books, and rules for prevention of collisions between vessels and aircraft.

"The substitute provides that the Secretary shall by regulation establish air traffic rules for the navigation, protection, and identification of all aircraft, including rules as to safe altitudes of flight and rules for the prevention of collisions between vessels and aircraft. The provision as to rules for taking off

and alighting, for instance, was eliminated as unnecessary specification, for the reason that such rules are but one class of air traffic rules for the navigation and protection of aircraft. Rules as to marking were eliminated for the reason that such rules were fairly included within the scope of air traffic rules for the identification of aircraft. No attempt is made by either the Senate bill or the House amendment to fully define the various classes of rules that would fall within the scope of air traffic rules, as, for instance, lights and signals along airways and at airports and upon emergency landing fields. In general, these rules would relate to the same subjects as those covered by navigation laws and regulations and by the various State motor vehicle traffic codes. As noted above, surplusage was eliminated in specifying particular air traffic rules in order that the term might be given the broadest possible construction by the Department of Commerce and the courts.

"In order to protect and prevent undue burdens upon interstate and foreign air commerce the air traffic rules are to apply whether the aircraft is engaged in commercial or noncommercial, or in foreign, interstate, or intrastate navigation in the United States, and whether or not the aircraft is registered or is navigating in a civil airway.

"6. Public aircraft: Under the Senate bill public aircraft were exempt from all the regulatory interstate and foreign commerce requirements of the act. Under the House amendment public aircraft were exempt in respect of all navigation from the requirements as to airworthiness and the rating of airmen, but not from air traffic rules upon civil airways nor from registration. Under the substitute public aircraft of the Federal Government are exempt from the airworthiness requirements and the regulations as to the rating of airmen unless such aircraft are voluntarily registered, but public aircraft of the Federal Government are not exempt from the air traffic rules except in so far as the Secretary of War has control over exclusively military aircraft upon military airways.

"7. Foreign aircraft: Under the Senate bill foreign aircraft were subject to all the regulatory provisions as to foreign commerce and could not engage in interstate nor apparently in foreign commerce in the United States. Under the House amendment foreign aircraft could be exempt from any of the regulatory provisions governing foreign, interstate, and intrastate air navigation if the foreign nation granted a similar exemption, but could not engage in interstate commerce in any case. Under the substitute foreign aircraft can not engage in interstate or intrastate commerce, but can engage in all other air navigation, foreign, interstate, or intrastate, if permitted by the Secretary of Commerce and if the foreign nation grants a similar exemption. While engaged in such other air navigation foreign aircraft may, to such extent as the Secretary deems advisable, be exempt from the requirements as to airworthiness and rating of airmen, but not from the air traffic rules.

"8. Aids to air navigation: The Senate bill provided for (a) the establishment and operation by the Secretary of Commerce, within the limits of appropriations made by Congress, of aerial lights, lighthouses, and signal stations, radio directional finding facilities, and radio communication facilities, whether along air routes or at airports or emergency landing fields or elsewhere; (b) the charting of commercial air routes and the publication of maps of such routes; (c) the making available to the public the use of the airports, aerial lights and lighthouses, and signal stations, radio directional finding facilities, and radio communication facilities of any Government department, under such conditions and to such extent as the head of the department deemed advisable and by regulation prescribed; (d) the sale in emergencies at Government airports of fuel, oil, equipment, and the furnishing in emergencies of supplies and other assistance at the local fair market value; (e) the furnishing exclusively by the Weather Bureau of meteorological information to promote the safety and efficiency of air navigation, particularly along civil airways. The House amendment retained all of the above features except that air-navigation facilities could be established along airways only, i. e., at airports, emergency landing fields, and intermediate points. The House amendment provided also for the establishing and operation along airways of airports, emergency landing fields, and electrical communication facilities, and for the transfer to the Secretary of Commerce by joint action of the Postmaster General and the Secretary of Commerce of the airports, emergency landing fields, and other air-navigation facilities of the Air Mail Service. The substitute retains the features of both the Senate bill and the House amendment, except that the Secretary of Commerce may not establish or operate airports and that the transfer of the Air Mail Service airports may be made only to municipalities, and then only under arrangements subject to the approval of the President. The airports of the Air

Mail Service are referred to in section 5 (a) as airports or terminal landing fields.

"9. Penalties: The Senate bill provided for the enforcement of the provisions of the act and regulations thereunder through a system of flat civil penalties and liens subject to administrative mitigation and remission, similar to the penalties by which the customs and navigation laws are enforced. The House amendment provided for enforcement through Federal criminal penalties and also authorized the several States to provide for the prosecution of the Federal offenses occurring within their respective jurisdiction and to prescribe penalties or forfeitures, civil or criminal, to be imposed for such offenses. Trial and acquittal or conviction of any person under such State law was to constitute a bar to his trial and conviction by the Federal Government for the offense. The substitute retains the Senate provision but with such additional administrative machinery as will make the provision effective. It also provides the constitutional basis necessary for enforcement of liens and penalties against aircraft by simulated admiralty proceedings.

"10. Advisory Committee for Aeronautics: The House bill provided for increasing the membership of the Advisory Committee for Aeronautics by additional members, one each from the office of the Assistant Secretary of Commerce in charge of civil air navigation, the office of the Postmaster General in charge of the Air Mail Service, and the Coast Guard. The Senate bill contained no such provision and the substitute omits it.

"11. Navigable air space: The House bill provides a public right of freedom of interstate and foreign air navigation in the navigable air space similar to the public right of such navigation upon navigable waters. Such navigable air space comprises the air space above the minimum safe altitudes of flight prescribed by the Secretary of Commerce. These altitudes would vary with the terrain and location of cities and would coincide with the surface of the land or water at airports. The power to fix the various altitudes was, therefore, left to the discretion of the Secretary of Commerce, having regard to the above-mentioned and other relevant factors. The Senate bill contained no such section, but the provisions of the House amendment are retained by the substitute.

"12. Assistant Secretary of Commerce: The Senate bill provided for an Assistant Secretary of Commerce to be appointed by the President and the Senate and to receive a salary of \$7,500 a year. The House amendment retained this provision, making it clear that the new office of the Assistant Secretary is in addition to that now provided by law, and that the functions of the new Assistant Secretary are confined to civil air navigation, but providing for the fixing of his compensation in accordance with the classification act of 1923. The substitute retains substantially the House provision.

"13. Air-space reservation: The House amendment provided for the establishment and protection of air-space reservations for national defense and other governmental purposes, and in addition in the District of Columbia for public-safety purposes. No similar provision was included in the Senate bill. The substitute retains the House provision, and all air navigation within any air-space reservation is subject to the restrictions imposed by the Executive order relating to such reservations.

"14. Issuance, suspension, and revocation of certificates: Both the Senate bill and the House amendment provided for the issuance, suspension, and revocation of certificates in enforcing the act. In the Senate bill the procedure was left to regulation by the Secretary of Commerce. The House amendment, for the more adequate protection of the individual, provided for proper notice and hearing and opportunity for review, by extraordinary remedy, of the decision of the Secretary upon questions of law, as, for example, the unconstitutionality of the substantive law applied or the procedure used, failure to observe the procedure required by law, the proper application of the statute or any regulation having the force of law, and the existence of at least some evidence to support the findings of fact. The substitute retains the provisions of the House amendment."

JAMES S. PARKER,
JOHN G. COOPER,
SCHUYLER MERRITT,
SAM RAYBURN,
CLARENCE F. LEA,

Managers on the part of the House.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

THE BLACK BASS BILL

Mr. CARSS. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill S. 3440, the black bass bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CARSS. Mr. Speaker, during the 1924 campaign I heard the statement made that 15 per cent of the people of the United States owned 85 per cent of the wealth of the United States. I did not think very much about that statement when I heard it, because I had heard a great many men talking in the 1924 campaign who knew a great many things that are not so, but one morning last summer I was sitting on my dock, which extends out into the most beautiful lake in the world, up in northern Minnesota.

Like Ancient Pistol, I was watching to see the "dawn break yonder" and as I watched that faint corona of light grow brighter and brighter, I wondered if the statement I had heard on the stump regarding the wealth in the United States were true. I wondered if 15 per cent of the people of the United States had seen 85 per cent of those glorious sunrises and sunsets. I wondered if that 15 per cent had looked into the eyes of 85 per cent of the true, virtuous, loving women of the United States, had felt 85 per cent of the soft warm baby arms around their necks, had eaten 85 per cent of the roasting ears and purple grapes, had caught 85 per cent of the black bass that were caught in the United States last year.

See, now, where the light has grown stronger and all the high clouds are lighted up with the rays of the rising sun until the whole heavens resemble the interior of an iridescent, opalescent sea shell.

Let us get into the boat, and I will push her off. You get into the front. I will take the paddle. We will go along the lake shore, past that point where the old dead cedar projects over the water surrounding a perch for the kingfisher. Turn around into this little bay and get up to within about 50 or 60 feet of the growth of rushes and lily pads. Now take your little light casting rod with your smooth-running reel and your little taper line and pork rind, spinner, or plug, reel up until your bait is within a foot and one half from the end of the rod. Then pull it over to the left and give it that little twist to the right and watch the plug as it soars out. Keep your thumb lightly on the spool and drop the bait right in that opening in the lily pads just by those big rushes. See the lily pads lift; feel that thrill in your wrist and arm! What is that that comes out of the water? The gamest, scrappiest fighter that ever wore scales. Tighten the line and set the hook. I will get the canoe out into deep water, so he can not get under that old snag. Now play him. See him jump and shake his head in a vain attempt to loosen the hook. Now, reel him carefully. Look out for him when he sees the boat. He will be scared. There he goes! Keep a little strain on the line, now turn him, reel him in slowly. He is about conquered. Lead him up alongside the boat. Keep his head under water until I get him in the net. Now look him over. See how the newly risen sun lights up his beautiful colors, and ask yourself the question, "Do 15 per cent of the people of these United States own 85 per cent of the wealth?"

Gentlemen of the House, there is some wealth that does not consist in stocks and bonds and securities, mansions and limousines, jewels and silks and luxuries. Let us conserve what is left of the wealth that is not owned or controlled by the 15 per cent.

In this materialistic age any legislation that puts a little more laughter and joy and healthy amusement and sunshine into the lives of our people is good legislation.

Mr. Speaker, we have been an improvident people. We have squandered our great natural resources. Look at our wonderful forests, cut down and for the most part wasted. Think of the millions of wild animals and myriads of birds that once existed in our country, many species extinct, and all facing extermination. Let us try and preserve the black bass, the king of fresh-water game fish.

This legislation is for the poor and the rich alike. It does not cost the taxpayers one cent. It does not interfere with State rights. It simply seeks to conserve some of the wealth owned by all of our people, and it seeks to pass it on to our children and our children's children.

I hope this bill will be passed by a large majority of the Members of the House.

I thank you.

BRIDGE ACROSS THE ELIZABETH RIVER, VA.

Mr. DENISON. Mr. Speaker, on behalf of the Committee on Interstate and Foreign Commerce, I present a conference report, for printing under the rule, on the bill H. R. 7093, granting the consent of Congress to the construction of a bridge across the southern branch of the Elizabeth River in Virginia. The SPEAKER pro tempore. Ordered to be printed.

BRIDGE ACROSS THE NORTH BRANCH OF THE SUSQUEHANNA RIVER

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill 4116, to extend the time for the construction of a bridge across the north branch of the Susquehanna River from the city of Wilkes-Barre to the borough of Dorranceton, Pa., and pass it, a similar bill having been reported and now being on the House Calendar.

The SPEAKER pro tempore. The gentleman from Illinois moves to take from the Speaker's table Senate bill 4116, a similar bill having been reported from the Committee on Interstate and Foreign Commerce and now being on the House Calendar. The Clerk will report Senate bill 4116.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOWARD. I saw by the official score board, uttered by the majority leader, that this day was to be devoted to agricultural bills. May I respectfully ask what time we will begin on agriculture? [Applause.]

The SPEAKER pro tempore. The Chair is unable to inform the gentleman from Nebraska.

Mr. HOWARD. The Chair does not seem to know any more than I do. [Laughter.]

Mr. CONNALLY of Texas. Mr. Speaker, reserving the right to object, is this a bill reported from the Committee on Interstate and Foreign Commerce?

Mr. PARKER. It is; yes.

Mr. CONNALLY of Texas. I was assured by the chairman of that committee that no other bill would be called up.

Mr. PARKER. This was a subcommittee.

Mr. CONNALLY of Texas. No subcommittee can report to the House; the full committee has to report.

Mr. PARKER. This is a bill reported from the Committee on Interstate and Foreign Commerce. I was mistaken, and I beg the gentleman's pardon.

Mr. CONNALLY of Texas. How many more bills does the gentleman expect to call up?

Mr. PARKER. This is the last one.

The SPEAKER pro tempore. This motion is not subject to objection.

Mr. CONNALLY of Texas. But, Mr. Speaker, the gentleman from Illinois asked unanimous consent to take the bill from the Speaker's table.

The SPEAKER pro tempore. The gentleman does not have to ask unanimous consent; he may move to take the bill from the Speaker's table.

Mr. CONNALLY of Texas. But the gentleman asked unanimous consent.

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CRISP. I am asking for information. I have no objection to this bill, but I would like to know under what rule, where a House committee reports a bill, it is on the calendar and a similar bill comes from the Senate, it is a matter of right to move to take up the Senate bill. If there is a House bill with a Senate amendment, and that amendment would require consideration in the Committee of the Whole when it comes from the Senate, it is in order to take it up; but I am asking for information as to this procedure.

The SPEAKER pro tempore. The Chair is aware of the existence of a rule which permits a motion to be entertained to take up a Senate bill provided a like bill has been reported by a House committee and is on the House Calendar. If it is on the Union Calendar, then that rule does not govern. The Chair has the rule before him:

But House bills with Senate amendments which do not require consideration in a Committee of the Whole may be at once disposed of as the House may determine, as may also Senate bills substantially the same as House bills already favorably reported by a committee of the House, and not required to be considered in Committee of the Whole.

Mr. CRISP. I thank the Chair. I was familiar with the first part of the rule, but I was not familiar with the second part.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

A similar House bill (H. R. 11657) was laid on the table.

FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R.

11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11603, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL POWERS OF BOARD

SEC. 6. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to the Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May—(1) appoint and fix the salaries of a secretary and such experts and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding)—as may be necessary for the execution of the functions vested in the board. All expenditures of the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman.

Mr. DOMINICK. Mr. Chairman, I move to strike out the last word. During the debate upon these farm-relief measures that have been before Congress we have heard much about all of our great agricultural products that are produced throughout the country. It seems that most people from their talk think that down in South Carolina we are only adapted to cotton growing. However, that is not altogether true, and I am taking this opportunity to make a slight reference to my home county, Newberry, in the third congressional district of South Carolina.

Last year the Southern Railway Co. offered a silver trophy cup, the intrinsic value of which is \$2,000, to anyone in eight States who would grow the best 10 ears of corn. The competing States were Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Kentucky, and Tennessee, and it was open to all farmers in those eight States. It remained, Mr. Chairman and gentlemen of the committee, for a young boy, 17 years of age, William Pat Boland, of Newberry County, S. C., to win that trophy cup for the year 1925. [Applause.] He planted and grew this corn under the direction of Mr. T. M. Mills, the county farm demonstration agent for Newberry County, who was working under the extension service of the Department of Agriculture. Both the young man and the demonstration agent are now in the gallery, and I am glad of this opportunity to let the House see them. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

SPECIAL POWERS AND DUTIES

SEC. 7. (a) The board shall meet at the call of the chairman, the Secretary of Agriculture, or a majority of its members.

(b) The board is authorized—

(1) To obtain, from any available sources, information in respect of crop prospects, supply, demand, current receipts, exports, imports, markets, transportation costs and facilities, prices of agricultural commodities, wastes or unnecessary costs in connection with the present method of marketing, costs of production either domestic or foreign or both, and economic, legal, and financial information in respect of the organization, progress, business methods, and cost of operations of cooperative associations in the United States and foreign countries.

(2) To disseminate any such information, or analyses or summaries thereof, from time to time, among cooperative associations and farm organizations in the United States.

(3) To advise cooperative associations, farm organizations, and producers in the adjustment of production in order to secure the maximum benefits under this act.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: On page 9, line 3, after the word "organizations," insert "and individual farmers."

Mr. NEWTON of Minnesota. Mr. Chairman, the provision which I seek to amend is included under the special powers and duties of the Federal Farm Board, and among its duties is the dissemination of—

any such information, or analyses or summaries thereof, from time to time among cooperative associations and farm organizations in the United States.

There are many farmers, of course, who are not members of farm organizations and there are still a greater number of farmers who are not members of cooperative associations. I notice this provision does not require the disseminating of information, and so forth, to those who do not happen to be members of farm organizations or cooperative associations. I take it it was not the intention of the committee to restrict the giving of information by this governmental board to any particular group of citizens, and therefore I have sought to amend this measure so that the information will be available to every farmer, to every farm organization, whether cooperative or otherwise.

I trust I may now have the attention of the distinguished gentleman who is the chairman of the committee. There was no intention, was there, to restrict the disseminating of information to cooperatives and farm organizations and denying it to the farmer who does not happen to be a member of such an organization?

Mr. HAUGEN. Of course, it is not possible to reach all of the six and one-third million farmers. We can not go out among the farmers, but whether they belong to the organization or not they will have the information through the cooperatives. Anybody can have the information. There is no question about that; and if you say, "to every individual farmer," that, of course, would be out of the question. It could not be done.

Mr. NEWTON of Minnesota. In other words, the way the bill is now drawn the individual farmer who is not a member of one of these organizations will not be able to get this information from the Government at first hand, but must get it through an organization?

Mr. HAUGEN. If it was to be given first hand, it would be quite expensive.

Mr. NEWTON of Minnesota. I know that; but if the gentleman will permit, this information will be gathered by moneys obtained through taxation of every citizen in the country, and it does not seem to me to be fair to deny information gathered by moneys from the Public Treasury to the individual farmer simply because he does not happen to be a member of such an organization. [Applause.]

Mr. HAUGEN. The information will not be denied them.

Mr. HUDSON. Will the gentleman yield?

Mr. NEWTON of Minnesota. I yield.

Mr. HUDSON. Does not the language in line 5 cover what the gentleman is trying to do by his amendment by using the word "producers"? Is not the individual farmer a producer?

Mr. NEWTON of Minnesota. That does not cover it. When I first read it I was of the opinion that possibly it did, but to make certain about it I offered the amendment, and I propounded the question to the gentleman from Iowa [Mr. HAUGEN], who has given so much thought and study to this bill. He is the author of it, and he denies that that language covers it and says the individual farmer can not get this information from the Government.

Mr. HAUGEN. Oh, no.

Mr. NEWTON of Minnesota. He must obtain it from the cooperative or the farm organization.

Mr. HAUGEN. I did not say any such thing. I do not say he could not get the information. The bill provides specifically that it shall be given to farm organizations, and we are dealing with farm organizations throughout the bill.

Mr. NEWTON of Minnesota. I know that.

Mr. HAUGEN. Of course, it is impossible to get in touch with all of the six and a third million farmers in the United States.

Mr. NEWTON of Minnesota. What are you going to do about the farmer who does not want to be a member of a farm organization? Are you going to deny him the information?

Mr. HAUGEN. Oh, no.

Mr. WEFALD. Will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. WEFALD. There is nothing in the bill that says the information has to be secret information.

Mr. NEWTON of Minnesota. No; and there is nothing in the bill which says it shall be published except through the cooperatives and the farm organizations.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The question is on the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken; and on a division (demanded by Mr. NEWTON of Minnesota) there were—ayes 28, noes 52.

So the amendment was rejected.

MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment the bill (H. R. 10896) to provide for transfer of jurisdiction over the Conduit Road in the District of Columbia.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to bills of the following titles:

S. 2996. An act to validate the payments for commutation of quarters, heat and light, and of rental allowances on account of dependents;

S. 2475. An act to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924; and

S. 4070. An act granting the consent of Congress for the construction of a bridge across the Delaware River at or near Burlington, N. J.

The message also announced that the Senate had receded from its amendments to the bill (H. R. 7482) entitled "An act to provide for conveyance of certain lands in the State of Michigan for State park purposes."

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 4547) to establish a department of economics, government, and history at the United States Military Academy at West Point, N. Y., and to amend chapter 174 of the act of Congress of April 19, 1910, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1911, and for other purposes," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had ordered that Mr. CAMERON, Mr. HALE, and Mr. STECK be the conferees on the part of the Senate.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 8185) to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for distribution of tribal funds, and for other purposes," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had ordered that Mr. HARRELD, Mr. CAMERON, and Mr. KENDRICK be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7033) granting the consent of Congress to O. Emmerson Smith, F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia.

FARMERS' RELIEF

The committee resumed its session.

The Clerk read as follows:

CONTROL AND DISPOSITION OF SURPLUS

SEC. 8. (a) The board shall keep advised by investigations, from time to time, made upon its own initiative or upon petition of any cooperative association or farm organization, of the domestic and world prices and the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products.

(b) The board shall furnish, upon request, to any cooperative association or farm organization or to any producer of any agricultural commodity its recommendations upon the disposition of such commodity, or any surplus thereof, and upon the available methods of financing. Whenever the board is of the opinion that the provisions of this act applicable to a basic agricultural commodity (as hereinafter defined in this section) should be made applicable to any other agricultural commodity, it shall submit its report thereon to Congress.

(c) For the purposes of this act cotton, wheat, corn, butter, cattle, and swine shall be known and are hereinafter referred to as "basic agricultural commodities," and the term "food products" means the respective food products of each such basic agricultural commodity except cotton. Whenever the board finds (1) that, in the case of cotton, there is or may be during the ensuing year a surplus above the requirements for the orderly marketing of cotton, and that a substantial num-

ber of cooperative associations or other organizations representing the producers thereof are in favor of the commencement by the board of operations in cotton, or (2) that, in the case of wheat, corn, butter, cattle, or swine, and/or any food product of wheat, corn, cattle, or swine, there is or may be during the ensuing year a surplus above domestic requirements, and that the price of any such commodity or food product in any principal market of the United States is materially lower than the price thereof in the principal export market of the principal competing foreign country (as determined by the board) plus the amount of tariff duty thereon and plus the charges normally incurred in transportation from such market to the principal port of entry therefor in the United States, and that the existence of such surplus renders or will render inoperative in whole or in part the tariff upon such commodity or food product, then the board shall declare its findings and commence operations in respect thereof. Such operations shall continue until terminated by the board.

(d) During such operations the board shall assist in removing or withholding the surplus of such basic agricultural commodity and/or its food products and shall assist producers of cotton in controlling the quantity in excess of the requirements for orderly marketing and producers of other basic agricultural commodities in maintaining domestic prices which yield the maximum benefits of the tariff thereon by entering into agreements with cooperative associations engaged in handling such basic agricultural commodity or its food products, or with a corporation or association created by one or more of such cooperative associations, or with persons engaged in processing such basic agricultural commodity or its food products. Such agreements may provide for (1) the payment out of the equalization fund for such commodity, as hereinafter established, of the amount of losses, costs, and charges of any such association, corporation, or person arising out of the purchase, storage, sale, or other disposition of such basic agricultural commodity or its food products, or out of contracts therefor, if made after such agreement has been entered into and if made in accordance with the terms and conditions thereof; and (2) the payment into such equalization fund for such commodity of profits (after deducting the costs and charges provided for in the agreement) of any such association, corporation, or person arising out of such purchase, storage, sale, or other disposition or contracts therefor; and may provide for the making of advances out of such equalization fund to any such association or corporation for financing the purchase, storage, sale, or other disposition of basic agricultural commodities and their food products in accordance with the agreement.

(e) If the board is of the opinion that there is no such cooperative association capable of carrying out any such agreement, the board may enter into such agreements with other agencies.

(f) Such agreements shall provide, among other things, that—

(1) No payment of losses shall be made unless the purchase or contract for the purchase is made at a price which in the opinion of the board is not in excess of a fair and reasonable price.

(2) No sale or contract of sale shall be made in respect of which a loss would be sustained unless such sale or contract is authorized by the board.

(3) Advances made by the board shall be payable on demand, whenever and to such extent as the board deems advisable, if the board finds that the market price in the principal markets of the United States for the basic agricultural commodity or its food products in respect of which the advance was made is in excess of a fair and reasonable price.

(g) If the board is of the opinion that there are two or more cooperative associations capable of carrying out any such agreements, the board, in entering into such agreements, shall not discriminate unreasonably against any such association and in favor of any other such association.

Mr. McLAUGHLIN of Nebraska. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Nebraska offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McLAUGHLIN of Nebraska: On page 10, line 23, after the word "product," insert a comma and the following: "and that a substantial number of cooperative associations or other organizations representing the producers of such commodity are in favor of the commencement by the board of operations in such commodity and/or its food products."

Mr. McLAUGHLIN of Nebraska. Mr. Chairman—

Mr. KINCHELOE. Will the gentleman yield before making his statement?

Mr. McLAUGHLIN of Nebraska. Yes; I yield.

Mr. KINCHELOE. I would like to ask the chairman, if the gentleman from Nebraska will permit, whether it is contemplated to have another round of general debate on this bill.

Mr. HAUGEN. We have about six or seven days of debate.

Mr. KINCHELOE. I understand that, but "Mary Haugen" has been dressed up in a new dress, and I thought it would probably be fair to the House to let us express our opinion about her in her new attire.

Mr. HAUGEN. I think the Members of the House should have an opportunity to discuss the various amendments proposed.

Mr. KINCHELOE. And the gentleman will be disposed to be liberal under the five-minute rule.

Mr. HAUGEN. Well, whatever may be necessary. I think we have been quite liberal.

Mr. KINCHELOE. Does not the gentleman think it is necessary, when you practically change the proposed bill entirely, to give the membership of the House the right to express their opinions upon it?

Mr. HAUGEN. If the gentleman desires to discuss this amendment, he has that right under the rules; and so far as the chairman is concerned, he will be very liberal with the gentleman.

Mr. KINCHELOE. I am not speaking for myself alone but on behalf of others, and I hope the gentleman will be liberal under the five-minute rule.

Mr. HAUGEN. The gentleman is a member of the committee and entitled to liberality.

Mr. HUDSPETH. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. Does the gentleman from Nebraska yield to the gentleman from Texas?

Mr. McLAUGHLIN of Nebraska. I will yield to the gentleman for a parliamentary inquiry.

Mr. HUDSPETH. Would an amendment at this time to strike out one commodity be a proper substitute for the amendment offered by the gentleman from Nebraska?

The CHAIRMAN. The Chair thinks that an amendment of that kind would not be germane to the amendment offered by the gentleman from Nebraska.

Mr. McLAUGHLIN of Nebraska. Mr. Chairman, I believe it is only necessary to make a brief statement in explanation of this amendment. It provides that the board is not to begin an operating period in any of these basic commodities or their food products until a request has been made by the organizations and associations interested in that particular commodity. In other words, it leaves it optional with the producers whether they want the board to begin an operating period as to that commodity. It answers a great many objections that have been made by different Members of the House where they assume that the raisers of cattle or the raisers of other products might not want an operating period. So it leaves it with the farmers themselves, through their associations, to say when, if at any time, they want the board to declare an operating period. The amendment has the approval and hearty support of all gentlemen who testified before the committee who are supporting the Haugen bill.

Mr. WILLIAMS of Illinois. Will the gentleman yield?

Mr. McLAUGHLIN of Nebraska. I will yield to the gentleman.

Mr. WILLIAMS of Illinois. I am in full sympathy with what is sought to be attained by this amendment. It is to remove the objection that the board would have the arbitrary power to declare an operating period. But the language is somewhat different from what I supposed it would be. It says a substantial number of cooperative associations. Now, what is meant by "a substantial number"? It seems to me that that is rather indefinite. Would the board have the discretionary power to say that 10 per cent or 25 per cent or 50 per cent of the producers of a certain commodity was a substantial number to make the request? If this language is what we want and will accomplish the purpose we have in mind, it is all right. But it occurs to me it is very indefinite and gives almost unlimited power to the board that might on the request of a very small percentage of the producers say that was a substantial number.

Mr. McLAUGHLIN of Nebraska. I will say to the gentleman that it would not be wise to provide an amendment in a measure of this kind saying that 30, 40, or 50 per cent or 25 per cent should be required to ask for an operating period. It is very evident that if the situation with reference to any product of this kind is in such condition that the cooperative and other organizations want to ask for an operating period "a substantial number" will cover it. We do not mean just a few, but a large enough number that their voice will be heard. Just as we have done in all basic laws, we purposely propose here to leave considerable leeway to the board. It seems to me we are not leaving too much leeway.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask that the gentleman have two minutes more.

Mr. BARKLEY. I ask that he have five minutes more. I want to ask him a question myself.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the time of the gentleman be extended five minutes. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. I would like to ask the gentleman this question: Take wheat, for example; how much wheat of the country at the present time is raised by farmers who are members of cooperative associations or farm organizations? I ask that because in cotton, for example, only a small percentage is grown by members of farm organizations or cooperative associations. I wondered if the gentleman could give me some idea about wheat.

Mr. McLAUGHLIN of Nebraska. I do not have that information accurately.

Mr. HAUGEN. There are about 3,025 marketing agencies, and I think most of them are engaged in the grain business.

Mr. NEWTON of Minnesota. Does the gentleman know how much of the total product of wheat is represented by those who are members of organizations?

Mr. HAUGEN. I can not answer the question, but a considerable number.

Mr. NEWTON of Minnesota. I think the amendment is along the right line, but I was wondering how great a percentage of the producers of the wheat would be consulted by reason of this amendment.

Mr. McLAUGHLIN of Nebraska. My guess is from the record of the hearings we have had it would be somewhere about 30 per cent; but I would not state that accurately.

Mr. NEWTON of Minnesota. I did not know but that the gentleman might know. The principle of consulting the producers is right, but I question whether this would give a sufficient referendum of the producers throughout the country on wheat. The same thing would apply to corn.

Mr. CHINDBLOM. Has any statement been made as to what is meant by a substantial number?

Mr. McLAUGHLIN of Nebraska. I made a statement about that a little while ago.

Mr. BARKLEY. Mr. Chairman, I desire to ask a little further along that line. Take corn, for instance; what proportion of the growers of corn and what proportion of the production is represented now by the cooperatives?

Mr. HAUGEN. There are 3,225 marketing agencies and 2,197 dairy producers. There are 1,770 of the livestock, and, all told, about 12,000 organizations.

Mr. BARKLEY. What I am trying to get at is the proportion of the producers of corn who are represented in corn cooperatives.

Mr. HAUGEN. Oh, I think there is a very small percentage. As the gentleman knows, most of the corn is fed to the livestock, and the organizations are not so strong in the corn production as they are in the wheat and the dairy products.

Mr. BARKLEY. In order to have this amendment effective as to corn, it would be necessary for the corn growers to form cooperative marketing associations?

Mr. HAUGEN. Oh, no.

Mr. McLAUGHLIN of Nebraska. This amendment says cooperative associations or other organizations.

Mr. BARKLEY. What sort of other organizations?

Mr. McLAUGHLIN of Nebraska. The farm bureaus and various farm organizations.

Mr. BARKLEY. What proportion of corn growers are represented in all the organizations, if the gentleman knows?

Mr. McLAUGHLIN of Nebraska. I could not give it accurately, but I should say somewhere from 20 to 25 per cent.

Mr. SUMMERS of Washington. I would say 75 per cent in some organizations.

Mr. FUNK. Mr. Chairman, I think I can answer the question exactly. Speaking for Illinois, over half the corn growers belong to the farm bureaus.

Mr. BARKLEY. And assuming that there be 50 per cent of corn growers in some organizations referred to in this amendment, and that one-third of them would be designated by this board as a substantial number, that would be about one-sixth of the corn growers who would request the beginning of this operation period, and the other five-sixths would be subject to it, regardless of whether they wanted it or not?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent that the gentleman have five more minutes.

The CHAIRMAN. Is there objection?

Mr. RAGON. Mr. Chairman, there is a practice being pursued under the five-minute rule here where two gentlemen get up over on the other side and carry on a private conversation so that the rest of the House can not hear anything.

Then some one on this side rises and asks the identical question. We have sat here for several days and have heard this matter debated. For the sake of expediting the passage of this bill I shall take it upon myself to make some objections to these extensions.

Mr. BARKLEY. I hope the gentleman is not going to object right now.

Mr. RAGON. Yes; I object right now.

The CHAIRMAN. The gentleman from Arkansas objects.

Mr. BARKLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. BARKLEY. Mr. Chairman, I desire the gentleman from Nebraska to occupy these five minutes in giving the information about this wording. This is a new proposition that has been brought in, and it has not been debated. I am trying to find out what proportion of those who are actually engaged in the producing of these commodities would in all likelihood be looked upon as a substantial number by this board.

Mr. McLAUGHLIN of Nebraska. In the first place, it seems to me that the board, as I said before, should have some leeway and discretion in this matter. In deciding that point it certainly would agree or rule that a really substantial number of these various organizations should be consulted.

Mr. BARKLEY. If this amendment provided that a majority of these organizations should request anything of that kind, would that give the board sufficient leeway?

Mr. McLAUGHLIN of Nebraska. Oh, you could not do that. It must be clear to the gentleman that that would be impractical. For example, in corn or wheat, whatever might be agreed upon by the board as a substantial number, before they could request the operation period or suggest it, they would have to have calls coming up all along the line from the producers. That would be the practical working of this. No organization would attempt it of itself. There would be a general demand made by the public or by the producers of that particular commodity asking for an operation period.

Mr. FULMER. As a matter of fact, this amendment is just exactly like we have with reference to cotton. It speaks of other organizations of producers. As a matter of fact, any of the producers can organize into any kind of an association and be represented, not necessarily a cooperative association or a farm bureau, but any organization, so as to make up all the producers if they want to do it, can come in with a complaint or with a request.

Mr. SUMMERS of Washington. And in that way wield their influence for or against?

Mr. FULMER. Yes.

Mr. HARE. Just one question. Suppose in the cooperative cotton associations there should be 5 per cent of them asking for this operation period. There would then be 95 per cent of the farmers not in on that. Could that 95 per cent of farmers petition to the board that the operation period should not begin?

Mr. McLAUGHLIN of Nebraska. There is no doubt about that.

Mr. ADKINS. And in answer to the question of the gentleman from Kentucky, the best authority that I know of is Professor Coyle, professor of rural economics. In 1920 he wrote a book on the Chicago markets, which I have in my files, and in that book he states that 56 per cent of all of the grain arriving in Chicago originates at farmer-owned cooperative elevators. The cooperatives have grown since that time about 60 per cent at least, so that that amount of grain arriving at the Chicago market, the largest market in the world, comes from farmer-owned cooperative elevators.

Mr. BARKLEY. The gentleman is referring to wheat?

Mr. ADKINS. Yes; and includes other grains as well.

Mr. BARKLEY. The gentleman means corn, wheat, and so forth?

Mr. ADKINS. Yes. You take, for instance, the country elevators. They handle all kinds of grain, corn, wheat, but mostly wheat and corn, barley, oats, and so forth; 56 per cent in 1920, and has been gradually growing in number.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DICKINSON of Iowa. It is my viewpoint—

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry.

Mr. DICKINSON of Iowa. Do not we get a vote on this other amendment?

The CHAIRMAN. The Chair understands the gentleman from Texas is offering an amendment in the nature of a substitute.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. KINCHELOE. If the substitute offered by the gentleman from Texas does not preclude the offering of an amendment to this amendment offered by the gentleman from Nebraska?

The CHAIRMAN. No; one amendment will be in order. The Clerk will report the amendment offered by the gentleman from Texas as a substitute.

The Clerk read as follows:

Amendment offered by the gentleman from Texas [Mr. JONES] as a substitute offered by the gentleman from Nebraska [Mr. McLAUGHLIN]: Page 10, line 4, after the word "finds," strike out the remainder of the paragraph and insert in lieu thereof the following:

"That in the case of any or all of such basic agricultural commodities there is or may be during the ensuing year a surplus above the requirements for the orderly marketing of such commodity or commodities, and that a substantial number of cooperative associations or other organizations representing the producers thereof are in favor of the commencement by the board of operations in such commodity or commodities, then the board shall declare its finding and commence operations in respect thereof. Such operations shall continue until terminated by the board."

The CHAIRMAN. The Chair does not think the amendment will be in order until the perfecting amendment is disposed of. The amendment of the gentleman from Texas strikes out—

Mr. JONES. It is a perfecting amendment. I am offering it as a substitute for the amendment offered by the gentleman from Nebraska. It strikes out a little more and it is worded very similar and is purely a substitute.

The CHAIRMAN. The Chair understands the gentleman offers a substitute, but in the judgment of the Chair the perfecting amendment should be voted upon first.

Mr. JONES. This is a perfecting amendment.

The CHAIRMAN. The amendment of the gentleman from Nebraska did not propose to strike out anything, but adds to the language in the bill, and is a perfecting amendment.

Mr. JONES. If the Chair please, mine is also a perfecting amendment covering the identical proposition, and if this amendment should be adopted mine could not be offered. Mine covers the same basis.

The CHAIRMAN. The gentleman can offer to strike out the paragraph and amend it by substituting what he has offered.

Mr. JONES. But can a motion be made or an amendment offered after the adoption of an amendment that would strike out that amendment and insert substantially the same thing along a different line?

The CHAIRMAN. If it includes other language the Chair thinks it can be done.

Mr. JONES. My amendment, I will say to the Chair, does not strike out anything like the whole paragraph, but simply to strike out some features I regard as surplus. I prefer to wait, however, if it is held—

The CHAIRMAN. The Chair thinks it is not in order now, and that the perfecting amendment should be disposed of.

Mr. KINCHELOE. Mr. Chairman, I want to offer an amendment to the amendment offered by the gentleman from Nebraska.

Mr. TINCER. Mr. Chairman, I desire to be heard on the amendment offered by the gentleman from Nebraska.

The CHAIRMAN. In opposition?

Mr. TINCER. In opposition.

The CHAIRMAN. The gentleman from Kansas.

Mr. TINCER. Mr. Chairman, I simply want to call the attention of the committee to what this amendment purports to do. Mr. JACOBSTEIN the other day, whom we all respect as an economist, called attention to the fact it was not right, not economical to give the board power to declare this surplus without the consent of the people who produced the commodity. Everyone knows that statement of the gentleman from New York was popular; everyone knows it would not be fair to the men raising a crop to have the board declare a surplus. Now, this amendment is evidently offered for the purpose of claiming that they are limiting the powers of the board in that respect. But they are not doing it. The amendment does not limit the powers of the board. It is not fair to the producers of this country, and they have a right to have a voice in whether a tax shall be levied upon the commodity, which we all concede to be true. There is not a man within the sound of my voice but who agreed with what the gentleman from New York said, that the producer should have a voice, and we have no right

to offer this gesture in the way of a claim we are giving him a voice.

All I ask is for the members of the committee to be fair with themselves on this. The language is that a substantial number of cooperative associations or other organizations representing the producers of such commodity are in favor of having an emergency declared and operations begun. The board itself is the judge as to whether or not there is a substantial number. In the matter of corn, to which the gentleman from Kentucky [Mr. BARKLEY] referred, which he was asking about, they might say one was sufficient. There ought to be, in order to make this thing of any service at all, an amendment offered here in good faith to give the producer a right to ask for this statement.

Let us see what the result would be. Right now the price of corn is the world price plus the tariff and plus the carrying charges. Right now, to-day, as I stand here in this well, the price of corn is the world price plus the tariff and plus the carrying charge; and still this bill had its inception over the low price of corn. That caused this bill to be here.

I notice in this printed amendment we are going to take off all chance for an embargo. You let a board levy a tax on corn to-day because we have a surplus crop of corn, and corn to-day is worth the world price plus the tariff plus the carrying charges, and it is too cheap—and see what you are doing to the corn grower. I am just calling attention to it. I do not expect to support the bill. If we are going to say to the producer by the amendment, "We are giving you a voice," let us understand that we are not doing it in this amendment. The producer will have no voice. It is not even a good gesture to say to the board, "You shall do it when a substantial number of cooperatives ask you to do it." The cooperative organization itself ought not to be the one to tell. It takes no time for a board in Washington to find out when the cattle growers want to do anything. It takes no time for a board in Washington to find out when the corn farmers want to do anything. They do not have to go to any organization to find out. They will find out on the application of producers.

Mr. HAUGEN. Mr. Chairman, the gentleman from Kansas [Mr. TINCER] has told us that the domestic price of corn is now in excess of the price in the foreign market plus the tariff. Let us see. I happen to have the quotations. For instance, for the current crop year, 1926, the Chicago price is 77 cents, the Argentine price is 75 cents, and the export tax is 1 cent, the tariff is 15 cents, and the freight is 11½ cents. There you have it.

Mr. DICKINSON of Iowa. What is the total?

Mr. HAUGEN. One dollar two and a fourth cents, or 25¼ cents above the Chicago price. We have gentlemen here and outside this Hall who have been working night and day to cut out the corn proposition. Let me tell you what this bill would do. If this bill had been in operation in 1924, when the Chicago price was 97.2, the Argentine price 83, export tax 1, tariff 15, and freight 11½ cents, total \$1.10¼, the equalization fee would have been \$3,001,500, and the net profit would have been \$388,498,500. Total net profits for 1924-25-26 would exceed \$1,600,000,000 for the three years. Yet we have corn men who tell us that the corn people should not have this benefit.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. HAUGEN. Let me go on and finish it. I will take the three years. For 1925 the Chicago price was \$1.03½. The Argentine price was 94 cents, export 1 cent. The tariff was 15 cents, and your freight was 11½ cents. The equalization fee would have been \$872,500, and the profit \$522,627,500.

Now, for the current year, if prices for the last three months remain the same: Chicago, 77; Argentina, 75; the equalization fee, \$4,545,000; and the profit \$752,955,000. Total for the three years, \$1,664,081,000. The contention is that the Argentine price now is in excess of the domestic price. Why say to the farmers, "You go without this benefit?"

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield for a brief question?

Mr. HAUGEN. Yes.

Mr. BLACK of Texas. In Texas now our farmers are having to buy very large quantities of corn at \$1.10. Now, I want to know how much more it will cost them under this plan of the Haugen bill?

Mr. HAUGEN. The Iowa farmers are now getting from 25 cents to 45 cents.

Now, I might just as well finish this thing up. I might as well get through with it.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. GARBER. The proposition of the gentleman from Kansas [Mr. TINCER] is not a question of figures. It is a question of vesting with a majority of the producers of any basic crop the right to determine for themselves whether or not there shall be an operating period declared.

Mr. HAUGEN. Yes.

Mr. GARBER. And inasmuch as every producer of that basic commodity is called upon by this bill to contribute toward the proposition, why should he not be consulted? I want to say to the gentleman that he can do nothing more to this bill to strengthen it with the people and with the House than to vest this power right down in the cornfields and wheat fields of this country.

Mr. HAUGEN. The object of this bill, as I have stated several times before, is to make it 100 per cent a farmers' bill, a cooperative bill from start to finish, and it is proposed here to lay the responsibility upon the farmer.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HAUGEN. May I have another minute?

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for two additional minutes. Is there objection?

Mr. ASWELL. Mr. Chairman, I ask that the gentleman's time may be extended five minutes.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent that the time of the gentleman from Iowa be extended for five additional minutes. Is there objection?

Mr. RAGON. Mr. Chairman, reserving the right to object, I want to know whether the gentleman is going to discuss the amendment of the gentleman from Nebraska [Mr. McLAUGHLIN], or whether he is going to discuss the portions of the bill that lie in front of us.

Mr. HAUGEN. The gentleman from Kansas raised this question, and I think I should have an opportunity to answer him.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Iowa is recognized for five additional minutes.

Mr. ASWELL. Will the gentleman now yield?

Mr. HAUGEN. Yes.

Mr. ASWELL. What is the equalization fee to be on corn? How many cents a bushel?

Mr. HAUGEN. For 1925 it was three-thousandths of 1 per cent.

Mr. ASWELL. I mean in the bill.

Mr. HAUGEN. I have it right here.

Mr. ASWELL. I want to know what the equalization fee would be on corn in the bill.

Mr. HAUGEN. The equalization fee would be three-hundredths of 1 cent.

Mr. ASWELL. A bushel?

Mr. HAUGEN. Yes.

Mr. ASWELL. Is that in the bill?

Mr. HAUGEN. Well, that is in the bill if it had been enacted and in force.

Mr. ASWELL. Where is it in the bill?

Mr. HAUGEN. And for the current year it would have been fifteen-hundredths of a cent, and for the year before it would have been three-hundredths of 1 per cent.

Mr. ASWELL. Name any line in the bill where that is stated.

Mr. HAUGEN. The equalization fee is to pay the losses. The gentleman calls it a tax, but it is simply withheld to pay the expenses.

Mr. ASWELL. My question is—

Mr. HAUGEN. The gentleman has read the bill.

Mr. ASWELL. I have not read this new bill. I want to ask the gentleman a definite question.

Mr. HAUGEN. I wish you would.

Mr. ASWELL. In this new bill you have brought in you state that the equalization fee on cotton shall be not more than \$2 a bale. Now, why is it you specify what the fee will be on cotton and leave it to the board on everything else? Is that to get votes for the Haugen bill?

Mr. HAUGEN. The gentleman knows why this bill is here and how it was brought here.

Mr. ASWELL. Yes; I do. I know it is a reflection on the chairman that he lets a lobby write it.

Mr. HAUGEN. What did the committee do? It directed the chairman to draft a bill making the committee print submitted by representatives of the farm organizations a basis for drafting a bill.

Mr. ASWELL. Who directed this last draft of the bill?

Mr. HAUGEN. Will the gentleman please be in order?

Mr. ASWELL. Yes; I will be in order.

Mr. HAUGEN. If the gentleman will, we will proceed. The committee directed the chairman to draft a bill and to make the draft submitted by the farmers the basis for consideration. The bill was drafted in conference with the farmers.

Mr. ASWELL. What farmers?

Mr. HAUGEN. Oh, the gentleman knows who they were; he has been here all the time and they have been before the committee. Now, the bill was drafted and it had the unanimous support of all the representatives of farm organizations. It is true they have changed their minds; that is true, and a number of changes have been made. Now, I will be fair about it. If I were to write this bill, I would write it differently from what it is, but the farmers had determined—

Mr. ASWELL. What farmers?

Mr. HAUGEN. Will the gentleman kindly be in order? If I have the floor, may I have the floor and have order?

Mr. ASWELL. I merely asked the gentleman a question.

Mr. HAUGEN. If you have the floor, very well; then I will yield the floor to you, but if I have the floor, I would like to go on.

Mr. ASWELL. I wish you would answer my question.

Mr. HAUGEN. What is your question?

Mr. ASWELL. My question is: Where is the equalization fee on corn stated in the bill?

Mr. HAUGEN. It is stated on corn exactly as it is on others.

Mr. ASWELL. Where? Point out the line.

Mr. HAUGEN. The gentleman has been here for five years.

Mr. ASWELL. I have been here 14 years.

Mr. HAUGEN. Well, the gentleman has been here for five years and given consideration to this bill. I take it he understands the object of the equalization fee and it is a simple proposition. It is simply to withhold a certain amount to pay expenses, the cost of merchandising the commodity. It would cost the farmers \$4,545,000 to market the current crop of corn; its net profit over the current price and cost of marketing would be \$752,955,000. Yet Members of the House say we have no right to tax the farmers so as to give them the benefit of the advance price, a net profit of \$752,955,000 for this year. Have we the right to give them the full benefit of the laws upon our statute books? Have we the right to give them the full benefit of our tariff policy? That is all we are asking for. So far as the Corn and Wheat Belt are concerned, they are willing to pay the expenses, but the cotton people say that for the present they desire to operate along a different line. They say they will market their cotton without expense, and they do not believe they need this equalization fee for the first two years. Of course, they have to apply an equalization fee. It can not operate without it, whether you call it by one name or another.

Mr. BLACK of New York. Will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. BLACK of New York. I heard with interest the gentleman's figures on the probable profits on corn under the operations of the equalization fee under the gentleman's bill, and I want to say to the gentleman that in my opinion with those profits and that small fee half of the country will starve to death before the Treasury gets back \$10,000,000.

Mr. HAUGEN. Oh, the gentleman knows about the fluctuations in prices, and if I had the time I could read to the gentleman Secretary Jardine's statement wherein he explains what that does. As the gentleman knows, it was necessary for him to order an investigation of it.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. KINCHELOE. Mr. Chairman, I offer an amendment to the amendment of the gentleman from Nebraska [Mr. McLAUGHLIN].

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KINCHELOE to the amendment offered by the gentleman from Nebraska [Mr. McLAUGHLIN]: In the amendment strike out the word "substantial" and insert the words "majority of the."

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, the chairman of the committee has stated the price of corn on the market at Chicago in comparison with the price of corn in the Argentine. If the gentleman's figures are correct, that goes to bear out the contention we made when the emergency tariff bill on farm commodities was passed, and

shows that the tariff is not of any account and did not help the corn farmer and does not help him now. Let us see what this does. The gentleman gave the figures as to how it was going to help corn with an equalization fee on it. Only 5 per cent of the corn raised in the United States ever leaves the farms or goes into interstate commerce at all. Ninety-five per cent of it is consumed on the farms, and on that which is consumed on the farm you can not levy an equalization fee. It does not go into trade and therefore no equalization can be levied. If there is a loss on that "great" exportable surplus of 5 per cent, how are you going to get any money in the way of an equalization fee out of which to make up the loss?

Mr. McLAUGHLIN of Nebraska. Will the gentleman yield?

Mr. KINCHELOE. Just for a question.

Mr. McLAUGHLIN of Nebraska. Is the gentleman speaking for his amendment now?

Mr. KINCHELOE. I will get to that in a moment. No; I want to show the fallacy of an equalization fee on corn which you are trying to put on the corn growers of the country when you can not possibly levy it. There is not any way to get any money out of an equalization fee to take care of the 5 per cent of corn that leaves the farm and goes into the exportable surplus.

I am against the original amendment, but I have offered this amendment, and if you are going to adopt something of this sort, let us make it as good as we can. The amendment has the indefinite language, "that a substantial number of cooperative associations or other organizations" can say that they want an operation period and an equalization fee. What does that mean? It does not mean anything, because this board is going to be the interpreter of the word "substantial."

What about the situation with respect to cotton? Nobody is to be consulted in the levying of this equalization fee on the farmers except the cooperative organizations, and only 7 per cent of all the cotton raised in this country is in cooperatives, and they do not propose to even consult as much as 7 per cent of the cotton growers in order to declare this operation period and levy this equalization fee; but if they consulted all of them as to cotton, then you would have 7 per cent of your cotton growers saying to the other 93 per cent of your cotton growers, "Whether you like it or not, we are going to declare an operation period on cotton and we are going to levy an equalization fee on the other 93 per cent of the cotton farmers and they are going to pay it; and if they do not, we are going to drag them into the Federal court and fine them like the devil."

That is what this is going to do. It is a wonderful thing for the cotton growers, it is a wonderful thing for the corn growers, if this operation period is ever declared effective; but if you are going to adopt this amendment, in the name of the 93 per cent of cotton growers make this board declare that a majority of the cooperatives at least must consent to this operation period.

This only goes to show that whenever you analyze this bill in any of its phases and look at it with deliberation, you see that you can drive a four-horse wagon through it with respect to everything that it proposes to do for the farmer.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. KINCHELOE. I yield to the gentleman.

Mr. SUMMERS of Washington. Does the gentleman believe that any board could ever be selected that would construe 7 per cent as meaning a substantial number of the cooperatives or other organizations?

Mr. KINCHELOE. How can they construe it in any other way on cotton when only 7 per cent of the cotton farmers of the whole Cotton Belt of the United States are in the cooperatives?

Mr. SUMMERS of Washington. But this does not say cooperatives alone; the language is, "cooperative associations or other organizations."

Mr. KINCHELOE. My contention is that if you consulted all the cooperatives of the cotton people, you are only going to consult 7 per cent, and therefore do not leave the indefinite word "substantial" in here. If you are going to adopt the amendment, adopt it with my amendment and at least get a majority of them.

Mr. WILLIAMS of Illinois. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WILLIAMS of Illinois. I suggest to the gentleman from Kentucky that the language of the amendment of the gentleman from Nebraska is "substantial number of cooperative associations or other organizations representing the producers of such commodity," and that would take in any organization of producers whether they were cooperatives or not.

Mr. KINCHELOE. Oh, no; the word "or" is there. They are going to be required to have a substantial number of the cooperatives or a substantial number of the other organizations,

and all of them in all of these associations only represent 7 per cent of the cotton growers.

Mr. DICKINSON of Iowa. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Kentucky [Mr. KINCHELOE] to the amendment of the gentleman from Nebraska.

Mr. Chairman and gentlemen, this is no new phrase in legislation. If you adopt the amendment offered by the gentleman from Kentucky, you make it mandatory on the board to go out and take a questionnaire or election among the producers before they can declare an operating period, and the most of them will be broke before they can get the organization into effect.

Why should we have the consent of the producers in order to do this? Because the gentleman from Texas and others have said that we do not want to have the board come down to Texas and impose the machinery on the cattle raisers without they want it. If they want it, they can soon get enough of their group together to make an application, a substantial number of cattle producers who think they would be benefited by having the board come in and operate machinery in their behalf. If they do not do that, the cattlemen of Texas will not be disturbed by this machinery. That is the only purpose of this amendment.

But when you come in and say that the board can not properly interpret the words "substantial number" by rules and regulations of the board, I want to say that 90 per cent of our legislation can be criticized because it is too voluminous, and that 85 per cent of the tax bill is operated by rules and regulations not in the bill at all.

We want the board to have a little leeway, to have the right under the bill to make it effective, but we do not want them to have the right to impose it on the producers that do not want the machinery at all. I do not think the friends of this measure need to be scared by this opposition coming in here and making a scarecrow and camouflage resistance to an amendment of this kind when, as a matter of fact, by rules and regulations made by the board they can interpret what "a substantial number" means in the way that they will work out a plan whereby this legislation can be put into effect for the protection of the producer and when we do not want it the board will not impose it on him. Nothing can be fairer than that.

Mr. FORT. Will the gentleman yield?

Mr. DICKINSON of Iowa. No; I am not yielding. We do not want to write into the bill from now on all the little detail machinery asked for by the gentleman from Louisiana. He asked, Where is there an equalization fee levied on corn? That is entirely in the discretion of the board, and no one knows it better than the gentleman from Louisiana when he asked the question. He knows that you can not levy an equalization fee by statute. All we can do is to give the board authority to do it, and that equalization fee will be levied year after year and time after time, according to the condition of the crops and the marketing.

Mr. LAZARO. Will the gentleman yield?

Mr. DICKINSON of Iowa. For a short question.

Mr. LAZARO. The gentleman says there should be authority in the board to fix the next equalization fee on corn. Why does this bill contain a fee of \$2 per bushel?

Mr. DICKINSON of Iowa. That is a maximum. You could say that you should not levy an equalization fee of over 50 cents a bushel on corn.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer a substitute for the Kincheloe amendment.

Mr. HAUGEN. I make the point of order that we have two substitutes now.

The CHAIRMAN. The amendment pending was offered by the gentleman from Nebraska, and an amendment to the amendment was offered by the gentleman from Kentucky [Mr. KINCHELOE]. Now the gentleman from Minnesota offers an amendment in the nature of a substitute to the amendment of the gentleman from Kentucky, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. NEWTON of Minnesota: Page 10, line 23, after the word "product," insert a comma and the following: "and that a sufficient number of cooperative associations or other organizations to represent a majority of the producers of such commodity are in favor of the commencement by the board of operations in such commodity and/or its food products."

Mr. DAVIS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS. As the chairman has stated, there is already pending a perfecting amendment offered by the gentleman from Kentucky to the amendment proposed by the gentleman from Nebraska. The gentleman from Minnesota offers a substitute

for the entire amendment offered by the gentleman from Nebraska. The perfecting amendment should be voted on first, and after that is disposed of I desire to offer a perfecting amendment.

The CHAIRMAN. The gentleman from Tennessee states it correctly. The perfecting amendment should be voted on first, but in the meantime the gentleman from Minnesota can offer his substitute.

Mr. NEWTON of Minnesota. Mr. Chairman, we seem to be agreed in a general way that there ought to be some sort of safeguard around the right of the board to commence operations under this plan. The amendment submitted by the gentleman from Iowa [Mr. HAUGEN] is better than the provision in the bill, but it is too indefinite, and it would leave the entire question to a "substantial" number of organizations. As illustrated by the gentleman from Kentucky [Mr. KINCHELOE], in cotton that substantial number would be not more than 3½ per cent. The amendment that I have just offered places it within the discretion of the board to put the plan in operation when a sufficient number of cooperatives and farm organizations representing a majority of the producers of the commodity favor putting the plan into effect. That is really what we are all trying to do. It is to put the operation of this plan into effect when a majority of the producers of the commodity want to have it put into operation. It seems to me that this language meets the situation better than any other method that has yet been proposed.

Mr. TINCER. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. TINCER. I do not want to be unfair in debate. I stated on the floor that the price of corn, and I think I used the word "to-day," was so-and-so. I am not familiar with the price of corn to-day, but I just want to read the information that I have:

Of course, no large business can be successfully carried on without capital or credit. It eliminates the provision which provides for tariff adjustment. The current price of corn is up to the current price of corn in Argentina plus the 15 cents tariff. Wheat is, as before stated, 14 cents below Liverpool, since the present tariff on corn is effective, but not on wheat. Hence, if the bill is put in operation, the price of corn will stay where it is, which also is true of cattle and butter, and the price of wheat would advance 14 cents plus the 42 cents tariff.

Those are the words of GILBERT N. HAUGEN, and they were uttered on the 6th day of March, 1926, and are to be found in serial C, part 5, of the hearings before the Committee on Agriculture on agricultural relief.

Mr. HAUGEN. But the gentleman is aware that corn has gone down about 15 cents since then?

Mr. TINCER. I do not know that.

Mr. NEWTON of Minnesota. Mr. Chairman, regardless of the dispute between the gentleman from Iowa and the gentleman from Kansas, that does not pertain to this particular situation. We ought to first consult and receive the approval of the growers themselves before putting the scheme in operation.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. CARTER of Oklahoma. I want to get some information from the gentleman about this amendment. As I heard it read, and I followed it as carefully as I could, the only difference is that he strikes out the word "substantial" in the amendment of the gentleman from Nebraska and offers in lieu thereof the word "sufficient"?

Mr. NEWTON of Minnesota. A sufficient number, so as to represent a majority of the producers of the commodity. That is the distinction. I am opposed to the general principle embodied in the Haugen bill, but if it is going to be enacted into law, I want it put into the best possible shape, and I am going to help the gentleman by proposing and supporting helpful perfecting amendments.

Mr. DICKINSON of Iowa. Let me ask the gentleman this: Do you want to impose upon this board the necessity of going out and taking a questionnaire among the producers of these commodities, which will permit the men to become bankrupt before they can get the machinery in operation?

Mr. NEWTON of Minnesota. I do not want to impose any duty on the board. The gentleman has imposed a duty on the board, but I do not want the board to have the power to act and put the plan in operation until they have had the approval not only of some of the organizations but such a substantial number as to, in effect, represent a majority of the producers of the commodity.

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The question is, first, upon the amendment

offered by the gentleman from Kentucky to the amendment offered by the gentleman from Nebraska.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the substitute was rejected.

The CHAIRMAN. Does the gentleman from Tennessee [Mr. DAVIS] desire to offer an amendment at this time?

Mr. DAVIS. Mr. Chairman, I have a perfecting amendment which I desire to offer to the McLaughlin amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 1, line 4, of the amendment, after the word "commodity," insert the words "and a majority of the producers thereof."

Mr. McKEOWN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman can not take the gentleman from Tennessee off his feet by a parliamentary inquiry. The gentleman from Tennessee has the floor.

Mr. McKEOWN. I make the point of order that he can not offer an amendment, after these two have been submitted, until we have voted on the original amendment.

Mr. CARTER of Oklahoma. I make the point of order that the amendment now proposed is substantially the same amendment that was just rejected by the House.

Mr. McLAUGHLIN of Nebraska. Certainly, if I understood the reading of the amendment, it is substantially the same amendment.

Mr. DAVIS. My amendment deals with the producer.

Mr. DOWELL. Is the gentleman's amendment an amendment to the amendment offered by the gentleman from Nebraska?

Mr. DAVIS. It is.

[Mr. DAVIS addressed the House. His remarks will be found in the Record of June 29.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS] to the amendment offered by the gentleman from Nebraska [Mr. McLAUGHLIN].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. FULMER and Mr. JONES rose.

Mr. JONES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 10, line 4, after the word "finds," strike out the remainder of the paragraph and insert in lieu thereof the following: "That in the case of any or all of such basic agricultural commodities there is or may be during the ensuing year a surplus above the requirements for the orderly marketing of such commodity or commodities and that a substantial number of cooperative associations or other organizations representing the producers thereof are in favor of the commencement by the board of operations in such commodity or commodities, then the board shall declare its finding and commence operations in respect thereof. Such operations shall continue until terminated by the board."

Mr. JONES. Mr. Chairman and gentlemen of the committee, I filed this amendment in the Record of last Monday. Its purpose was to make the action of the board voluntary instead of mandatory. Since the adoption of the amendment offered by the gentleman from Nebraska [Mr. McLAUGHLIN], which is practically in the same language, or near enough in the same language as to mean the same thing, so far as the insertion is concerned, that effect of my amendment has already been accomplished by the committee ratifying it in principle. Still, before the board begins operations, it must go out and take that yardstick and find out whether the price of the commodity is below the normal price, plus the tariff and plus the freight charges. In other words, my amendment would still eliminate the doing of a vain and useless thing, because the language as it is now worded would make the finding of that fact a matter of pure curiosity. Why should the board go out and investigate out of sheer curiosity? After they have ascertained that the price of the commodity is below the normal price plus the tariff and plus the freight charges, they must still have to consult the wishes of a substantial number of cooperatives; so that you will not change the meaning of the bill at all if you adopt this amendment except to avoid some useless words and a great deal of useless work. At the same time, why should the question of the tariff come into this?

Why should anyone want it in? That is not a measure of price in the bill now. That is a method of determining whether the board shall commence operations. That is not a measurement of price.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BLACK of Texas. The gentleman says that is not a price-fixing yardstick, but on page 11 it says it is the duty of the board to so operate as to yield the maximum benefits of the tariff.

Mr. JONES. True; but if the gentleman will read that carefully he will find that is an entirely different thing. That is after the board begins operations. This paragraph relates to the time when the board will begin operations. You lay down three or four things that the board must do before it begins operations, and then you wind up with the main thing you want to do, and that is to have the finding of the fact that the farmer wants the operation. If the price is satisfactory the farmers will not want operations, and if the price is not satisfactory they will probably want operations. So why do you want them to do a lot of things that they will not need to do in determining whether to operate or not?

I want to say here that every amendment I have offered is an amendment which I had hoped would be a perfecting amendment and would aid in making the bill a more workable bill. I want to see some form of farm relief legislation enacted that will accomplish something worth while. I represent a great agricultural district. I want the benefits to be real and actual.

Mr. BLACK of Texas. If I understood the whole purpose of the bill as to beef and corn and swine and cattle and butter, it is to make effective the maximum rates of the tariff.

Mr. JONES. Not exactly. There is no place in the bill where that exact thing is said, though that may be its purpose. They begin operations when certain conditions come to pass, and then they do the best they can in handling the commodities so as to get the best price that the law of supply and demand and the conditions generally will bring about, and I suppose the board will endeavor to get a reasonable price. I think that purpose should be accomplished. The farmer has not had price equality. He should have it. I am going to support any just and effective legislation which will attain that end.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the Chairman announced that the yeas appeared to have it.

Mr. JONES. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 34, yeas 62.

So the amendment was rejected.

Mr. HUDSPETH. Mr. Chairman, I offer an amendment.

Mr. FULMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FULMER: Page 12, line 7, after the word "agreement," insert a semicolon and add the following: "and may make such regulations and take such action not in conflict with the provisions of this act as in the judgment of the board will encourage the development and increase the membership of cooperative associations."

Mr. FULMER. Mr. Chairman, I do not care to debate the amendment, because I do not think there will be any objection to it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. HUDSPETH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HUDSPETH: Page 9, line 25, strike out the word "cattle," and on page 10, line 11, strike out the word "cattle."

Mr. HUDSPETH. Mr. Chairman and gentlemen of the committee, I asked the gentleman from New Jersey [Mr. FORT] when he was speaking upon this bill—and I take it he was a regular attendant upon the meetings of the committee—if anyone representing the cattle interests appeared before this committee and asked that cattle be included in the provisions of this bill, and he stated not a soul appeared and asked that cattle be included.

Mr. FORT. Will the gentleman yield?

Mr. HUDSPETH. Yes.

Mr. FORT. I said that some of those who appeared for other farm organizations claimed to represent cattlemen.

Mr. HUDSPETH. But I mean real representatives of the cattle producers and not gentlemen who come here representing other farm organizations and claim to represent the cattle producers. I mean those who are credited with authority to speak for the representatives of the cattle industry.

Now, gentlemen, you say cattlemen do not have to come in, but I do not want to lay a trap to catch cattlemen who do not belong to any cooperative organization. In Texas we have two major organizations—the Texas and Southwestern and the Panhandle. They do not represent probably more than 40 per cent of the cattle producers of Texas, and yet you want to bring them in under the provisions of this bill when they do not want to come in and when there is no need for their coming in under it.

The gentleman from Iowa [Mr. HAUGEN], the chairman of the committee, said they had lost \$2.50 a head this year on cattle, if I caught his statement. Well, gentlemen, here is the report of the inspectors of the Texas and Southwestern Cattle Raisers' Association scattered over four or five States. I trust my friend from Oklahoma [Mr. CARTER] is here, because there are some prices on range sales in Oklahoma. We will see whether or not there is any necessity for cattle being placed under this bill. At Foraker, Okla., last month there were 1,000 Hereford yearling steers sold to R. L. Hall, of Pawhuska, at \$40 a head. And they were not very much higher during the highest peak of the war period. Yet you want to put them under this bill. In the San Angelo country, 1,500 cows were sold last week at \$55 a head.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. HUDSPETH. I have not the time to yield. If I can get more time I will be glad to yield.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the gentleman have five additional minutes.

Mr. HUDSPETH. Then I shall be glad to yield. These reports are scattered all over New Mexico. There is a young lady out there, Miss Lucy Cullen, of Lovington, who is ranching, and she sold 100 yearling heifers last week to Brumley & Terry, of Seminole, at \$35 a head.

The cattlemen are getting back to where their feet are on safe ground and they do not want any organization that does not represent anything like a majority of them to bring them under this bill and put this equalization tax upon them.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. HUDSPETH. Yes.

Mr. NEWTON of Minnesota. Do I understand, then, that no organization of cattlemen whatever has asked for legislation of this character?

Mr. HUDSPETH. None have applied to me, and the general attorney for the Texas and Southwestern, the largest livestock organization in the United States, is here, and his people have wired him to protest against cattle going under the provisions of this bill.

Mr. DICKINSON of Iowa. Will the gentleman now yield?

Mr. HUDSPETH. Yes.

Mr. DICKINSON of Iowa. There are a good many cattle organizations outside of the State of Texas, are there not?

Mr. HUDSPETH. The National Livestock Association is supposed to represent all the smaller ones, and there is not a telegram from a single officer of the National asking for the passage of this bill, or to put cattle under it.

Mr. DICKINSON of Iowa. I want to suggest that the other day the gentleman from New York [Mr. JACOBSTEIN] offered a cattle chart here which showed the relative price of cattle in comparison with other commodities.

Mr. HUDSPETH. But here are the facts, my friends.

Mr. DICKINSON of Iowa. Just a minute. Does the gentleman think he can pick out two or three isolated places and quote the top price on a few head of cattle?

Mr. HUDSPETH. Here is the market last week at Fort Worth and Kansas City: 1,000-pound grass-fed steers, \$8; and 900-pound grass-fed steers, \$7.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HUDSPETH. Mr. Chairman, have I used the five minutes given to me at the request of the gentleman from Iowa?

The CHAIRMAN. The gentleman got the consent of the chairman of the Committee on Agriculture to proceed for five additional minutes, but not the consent of the Committee of the Whole.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] asks unanimous consent that the time of the gentleman from Texas be extended five additional minutes. Is there objection? There was no objection.

Mr. HUDSPETH. Now, gentlemen, we exported in 1921 only 10,000,000 pounds of fresh beef. We do not export very much beef. In 1922 we exported 3,000,000 pounds; in 1924, 2,628,000 pounds; and in 1925, 3,358,000 pounds.

Mr. CARTER of Oklahoma. How many cattle?

Mr. HUDSPETH. I have not the live cattle. However, I will state to the gentleman that we do not export any live cattle.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HUDSPETH. Yes.

Mr. SUMMERS of Washington. The bill says cooperative associations or other organizations. I want to ask the gentleman two questions. I want to know why the gentleman limits his remarks only to the cooperatives and ignores the others; and the other question is: If the price of cattle were to be cut in two and bring it to where it was two or three years ago, might not the cattlemen then be glad if they were in the bill, so that they could come under the operations of the bill if they petitioned so to do?

Mr. HUDSPETH. My judgment is that there will never come a time on this earth when the cattlemen will be in favor of a subsidy for their private business or when they will want an equalization tax put on them to hamper them in the transaction of their business. I think that is the sentiment of the people I represent, and I want to say to the gentleman from Iowa that I think I know the sentiment of the people I represent, just as he thinks he knows the sentiment of his corn people. I do not think the cattlemen want to come under the provisions of this bill.

Mr. DICKINSON of Iowa. They certainly would never come under the provisions of it if that is their attitude.

Mr. HUDSPETH. My friend, any cooperative organization can bring them in, and that is what I do not want. I have in my mind a picture of some of my old cattlemen in the eastern part of my district; some of them are Germans; they raise cattle in the eastern part, and I have a picture in my mind of an old German cattleman when they brought him under the provisions of this bill, and when he attempted to sell a bunch of cattle to a buyer in San Antonio. There is an old German there named August Limburger, who raises a great many cattle. The buyer says, "August, I can only pay you \$30 for these cattle." The old German says, "But the price is \$35." He says, "But they have an equalization tax of \$5 a head." The old German says, "What is the equalization tax and who puts that there?" The buyer says, "I do not know." But another German walks up and says, "I will tell you, August, who put it there; Claude Hunchback, the Congressman in this district; he put it there." [Laughter.] Then old August will say, "I have known that pay ever since he was a baby. I voted for him for justice of the peace, for district judge, for the legislature, for the State senate, and for Congress. He had a little sense in those days, but now the man is crazy. We will have to send another man up there. He is interfering with our business." [Laughter and applause.]

That is the way they will figure on these propositions, gentlemen, when any cooperative can bring them under the provisions of this bill.

Mr. RAINEY. Will the gentleman yield?

Mr. HUDSPETH. I yield.

Mr. RAINEY. These sales that the gentleman is quoting, are they of finished cattle or feeders?

Mr. HUDSPETH. The prices I quoted from this publication, the Cattleman, official publication of the cattle raisers, are for cattle sold on the range. This is the range price. The other price I gave is the price of finished cattle.

Mr. SUMMERS of Washington. The gentleman has not answered my first question.

Mr. HUDSPETH. What was the first question, Doctor?

Mr. SUMMERS of Washington. Why you consider the cooperatives and ignore other organizations?

Mr. HUDSPETH. As I have stated, we only have two organizations of the cattle industry in Texas, and they are the ones that would speak for this great body of cattlemen down there when they only represent about 40 per cent.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the gentleman may have three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LOZIER. Will the gentleman yield?

Mr. HUDSPETH. I yield.

Mr. LOZIER. Has not the gentleman lost sight of the fundamental fact that the price of range cattle in his country is determined ultimately on conditions in the Corn Belt, and if the Corn Belt can not feed your range cattle and fatten them and make money, the market for range cattle will go to pieces?

Mr. HUDSPETH. The gentleman is just as far off in his deductions there as he is that this bill will relieve anybody on this earth as it was originally written. [Applause.] The gentleman is just that far off. The prices of these cattle down there, I will state to my friend, are governed by two things: First, that the loan companies who put thousands of cattle on the market and glutted the market have practically gotten through with their liquidation period; and, furthermore, we have the best range conditions throughout the Southwest we have ever had in 20 years, and we are not dependent on your Corn Belt people, and we are not going to let your Corn Belt people take the cattlemen's equalization fund and raise the price of corn in Iowa if we can help it. [Applause.] That is what you are proposing to do under this bill. As much as I would like to see you gentlemen have the price of your corn raised, I could not support that proposition. If you will join with us Texans and help to reduce the freight rates so that you can get your corn down into that country, where we can buy it at reasonable prices, you will get the price raised. That is the situation, gentlemen, and that is why I am asking you to exempt cattle from the provisions of this bill.

Mr. SUMMERS of Washington. How does the total number of range cattle compare with the total number in the country?

Mr. HUDSPETH. I have not that data, but it is far in excess, I take it, of fed cattle. You mean in comparison with the cattle on the farms?

Mr. SUMMERS of Washington. I mean the total number of cattle compared with the strictly range cattle which the gentleman speaks for.

Mr. HUDSPETH. I take it that the cattle fattened on the range would far surpass in number the cattle grown on the farms, because we have the greatest range country in the world.

Mr. SHALLENBERGER. If the gentleman will permit, I can answer that question. The State of Iowa is second to Texas in the total number of cattle in the United States, and the State of Nebraska, which I represent in part, is third, so the States of Nebraska and Iowa combined have far more cattle than the State of Texas.

Mr. HUDSPETH. But I will state that the States of Texas, Arizona, New Mexico, Wyoming, Montana, California, and all that great section of country to the northwest comprise the range country, and the question is how the cattle in that country compare with your Corn Belt cattle. Well, you would not have any Corn Belt cattle if it was not for our range cattle supplying you. Now, from the question Brother RAINEY, of Illinois, has asked me, I take it that he is now supporting this bill, and that the gentleman who has proclaimed so loudly against a tariff on the raw product is going to swallow the 100 per cent tariff in this bill without grease or wry face. I also take it that he indorses the lobbyists of the so-called "farm bureaus" and various farm organizations.

Now I am going to insert statements made by this distinguished low-tariff advocate on the Haugen bill of two years ago, and also a statement of what he thought then of a certain Mr. Peek, who, I understand, was here then and now before the Agricultural Committee and advocated this bill at this session. I do this in order to convey to you the impressions of Mr. RAINEY of the 1924 model as compared to the expressions of Mr. RAINEY of the 1926 model:

[Statement of Mr. RAINEY, CONGRESSIONAL RECORD, May 23, 1924]

(Page 9337)

THE GOVERNMENT IN BUSINESS

But I have not yet finished describing the objectionable things in this bill. The corporation is authorized to contract with processing agencies and with transportation facilities, and, failing to make suitable contracts, the corporation can resort to more strenuous methods and "acquire" agencies of this kind. In the bill now pending in the Senate the corporation can construct or build or purchase or "acquire" these various agencies. The House bill has now eliminated that, but the corporation can still "acquire" under the House bill and the House bill can still put the Government into business of all kinds, including the operation of textile mills, the operation of railroads and steamship lines. The only exception is that they can not operate transportation systems as a common carrier, and this is not much of an exception. Can you imagine any rights the Soviet Government obtained in Russia as the result of the revolution that Congress is not asked to confer in this bill?

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If you can make the farmers believe they are going to get a bigger price for these things, they are going to produce more. You have a check in this bill which is almost ridiculous in its terms. The check you propose for overproduction is that this corporation shall send out information to farmers telling them of the dangers of overproduction and of the increased amount of losses the corporation will sustain if

there is an overproduction to be charged back against them. What difference does that make to farmers? Advise them over the radio as much as you please, or by documents that you send out not to produce so much; if at the same time you advise them you are going to pay them more, of course, they will produce more.

Now, you are going to export a surplus. You are going to buy it in this country at the ratio price, and you are going to keep on exporting a surplus which during the period of five years will keep getting ever bigger and bigger, and you are going to sell it in the foreign market at the best price obtainable, and the best price obtainable means the cheapest price. You are going to dump it on the foreign markets and charge back to the farmers, through the equalization receipts you give them, the amount of the losses, and you must estimate what they will be.

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The connection of George N. Peek, however, with this bill is not quite so well known, and he has not been discussed as yet to any extent. George N. Peek was for a long time prominently connected with Deere & Co., manufacturers of farm implements. At the end of the war he accepted a very large salary tendered him by the Moline Plow Co., at a very large salary, indeed, which I have heard estimated all the way from \$50,000 to \$100,000 a year. He withdrew all his investments in the Deere Co. and invested with the Moline Plow Co. and assumed the management of the Moline Plow Co. If the bill we are considering and for which he is to such a large degree responsible does not work any better than the Moline Plow Co. has been operating under his management, it will be a tremendous failure. The Moline Plow Co. has failed under his management and is now in the hands of its creditors. His salary has been greatly reduced, and I have heard that he is now receiving the very moderate salary of \$10,000 or \$12,000 a year. His authority, however, has been greatly restricted by the creditors' committee, which now has charge of the Moline Plow Co. The investigation conducted by the Federal Trade Commission recently demonstrated conclusively a combination between all the manufacturers of farm implements to increase the price of those implements to farmers. From 1914 to 1918 the price of farm implements increased to 73 per cent. Among the men who have been actively engaged in farming the farmers, George N. Peek has always been most prominent. Both Mr. Peek and Mr. Brand are swivel-chair farmers, helping always to devise and develop the methods and practices which have contributed so much toward bringing about the conditions from which farmers suffer to-day. If they can succeed in putting over this bill, all that they have done heretofore in the direction of bringing about conditions so destructive to farmers will fade into insignificance when compared with the injury this bill will do.

Mr. HAUGEN. Mr. Chairman, the gentleman from Texas is opposed to imposing hardship on the cattle people. The gentleman is well aware of the fact that the price of cattle has dropped about \$3 since Congress convened. The gentleman has referred to stockers and feeders that are produced in Texas. We are dealing now with the finished product.

As stated by the gentleman from Texas [Mr. HUDSPETH], we are not exporting live cattle. We are exporting the beef and the lard. The gentleman speaks about the excessive tax or the excessive equalization fee. Now, what would it amount to? The production of beef for 1924 was 7,065,000,000 pounds.

The exports for 1924 were 19,000,000 pounds. In 1925, production, 7,146,000,000; net exports, 22,000,000 pounds. The New York price was 18.4 cents and the London price 17.94 cents plus tariff, 3 cents, and transportation, 15 cents. The equalization fee would have been one-hundredth of 1 per cent. It would have amounted to \$767,600 for 1924; net gain would have been \$284,658,400. The net profit for the cattle raiser for two years would have been \$616,736,800. The gentleman from Texas is not willing to help the cattle raisers. It is true the stockers and feeders are selling at a fair price, but we are dealing with the finished product. You take the meat that was exported, and if the equalization fee had been paid the profit would have been \$616,736,800 for two years. The gentleman says that is imposing a hardship on the cattle people and that they are opposed to it. Are they opposed to taking \$616,000,000 net gain under the operation of this act for two years?

Mr. HUDSPETH. They are opposed to it on paper. I want to ask the gentleman this question: Who is it here representing the cattle organization? I do not mean the cooperatives, but the cattle raisers—name them.

Mr. HAUGEN. It happens that a few cattle are produced outside of the State of Texas. Texas is not the only State in the Union. Over in Iowa they raise a few and they feed a few; in Minnesota and in the Dakotas, Illinois, and all through the grain belt. The representatives of cattle raisers have been here from the 1st of March. They have been here, laboring night and day, asking for this very thing.

Mr. HUDSPETH. Will the gentleman name some of those people?

Mr. HAUGEN. Well, there is Mr. Murphy.

Mr. HUDSPETH. He appears for all of them?

Mr. HAUGEN. Yes.

Mr. HUDSPETH. But Texas and California and Arizona, he does not represent them?

Mr. HAUGEN. Texas nor those other States do not produce fat cattle. You are producing stockers and feeders.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TINCHER. I ask unanimous consent that the chairman may proceed for two minutes more; I want to ask him a question.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the gentleman from Iowa have two minutes more. Is there objection?

There was no objection.

Mr. TINCHER. I want to ask the gentleman a question. Will he state where he got his figures about the equalization fees and the profits, and so forth?

Mr. HAUGEN. From the Department of Agriculture and the Department of Commerce, also from the representatives of various governments, and I have compared them. I take it that the gentleman has confidence in the figures of the Department of Agriculture and the Department of Commerce. Here are the figures: The New York price was 18.4 cents and the London price 17.4 cents.

Mr. HUDSPETH. What is that the price of?

Mr. HAUGEN. That is the price of beef. We are not exporting livestock.

Mr. WINGO. I think it would help the House if the gentleman would explain the formulas of the statistical data of the way he arrived at the equalization fee.

Mr. HAUGEN. Take the total production, and it is easy to ascertain what the equalization fee is.

Mr. WINGO. But what are the formulas?

Mr. HAUGEN. Spread the equalization fee over the whole production.

Mr. WINGO. I ask the gentleman to put in the RECORD the formulas by which he arrives at the equalization fee.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. RAINEY. Mr. Chairman, I rise in opposition to the amendment. The effect of the amendment offered by the gentleman from Texas [Mr. HUDSPETH] is to remove cattle from this bill, so that there will be no equalization fee on cattle and no opportunity to benefit the cattle feeders of the Corn Belt section of the United States.

Now, they can not finish cattle in Texas except by feeding them cowpeas or something of that kind, and then they come on the market a stringy, tough kind of an animal that when processed produces an inferior kind of beef. The heads of the American Farm Bureau Association and the Farm Board of Twenty-two, representing the farm-bureau members of the United States, represent the real cattlemen of the United States. We take the cattle raised in Texas as feeders and we feed them on our farms and make beef steers out of them. We get them ready for the market, so that human beings can eat them. They do not do that down there. [Laughter.]

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. You sell them to us as feeders, and you do not pay any equalization fee on your cattle, and this bill does not make you do it.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. HUDSPETH. Here is a statement from John Clay of last week, where Mr. Sample, of Three Rivers, N. Mex., shipped 251 steers that weighed 1,085 pounds each. They were not fed on cowpeas, but they came off the grass. You can not make them weigh any more than that with your corn in Illinois. They were 3 years old.

Mr. RAINEY. Why, we make them weigh much more than that. God help the people who are compelled to eat those grass-fed steers unless they have good sharp teeth and strong jaws. The gentleman does not know anything about the business of feeding cattle.

Mr. HUDSPETH. Oh, yes; I have fed cattle.

Mr. RAINEY. I know what the gentleman's business is. The gentleman used to raise cattle—white-faced cattle, Herefords—and he sold them up there in Illinois to us. They came to my section of Illinois. They would not even weigh them for us. They would not tell us how much they weighed.

That is the kind of cattle we want, however, but I do not think the gentleman raises them any more.

Mr. HUDSPETH. Oh, yes; I have got them, and I am ready to sell them to my friend at these prices.

Mr. RAINEY. Oh, you can not sell me any more at those prices. They bring them to us and we feed them up. They will not even tell us what they weigh. Herefords are a kind that we want, because when we feed them corn they gain more rapidly than other kinds of cattle. When they come to us they are about as big as goats and we put flesh on them. They come up there by the thousands, and we hold little auctions around throughout the farming sections, and a farmer buys 30 or 35 of them and then commences to put value in them—something which they never had before and never could get in the State of Texas. When we get the value in them we sell them. Down there in Texas they have free trade in cattle across the Mexican border, and that is the only section of the United States where they have free trade. Here is what they can do in Texas, and nobody else can do it in any other section of the United States: They can permit their cattle to stray across the border—and they do stray across the border—or they can send them over there for the purpose of letting them graze on the rich grazing lands in northern Mexico, richer than anything they have in Texas, and then under the Fordney-McCumber Act they bring them back free without paying the \$10 to \$25 or \$30 a head tariff there is on them, but they can add that tariff to their selling price, and then they send them on up to us and sell them to us at a price which includes the tariff they have never paid. We are not permitted to buy feeders raised in Mexico by Mexicans, but we can buy feeders raised in Mexico by the cattlemen of Texas.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield? The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUDSPETH. Do I understand my friend from Illinois to make the statement—and he qualifies as an expert on cattle—

Mr. RAINEY. No; I do not.

Mr. HUDSPETH. That some cattleman came up and sold him something he thought were cattle and that turned out to be goats?

Mr. RAINEY. No; I did not say that.

Mr. HUDSPETH. They have some pretty slick fellows down there sometimes. However, they do not weigh goats.

Mr. RAINEY. I said they do send cattle up from your section that look like goats when they get up into the corn section of Illinois and Iowa. We make beef cattle out of them, and you do not have to pay any equalization fee when you charge us \$35 a head for those little ghosts of cattle. We will have to pay the equalization fee when we give them a value as human food and sell them for slaughter.

Mr. DICKINSON of Iowa. As a matter of fact the equalization fee under this bill is charged at the processing point and not at the selling point, as illustrated by the gentleman with his friend the old German farmer.

Mr. RAINEY. Oh, yes; he will never have to pay any of it.

Mr. FORT. Is that statement true as the bill now reads? As it now reads the fee is assessed on the sale for slaughter or for market.

Mr. DICKINSON of Iowa. Oh, no.

Mr. RAINEY. They enjoy the opportunity in Texas of bringing cattle across the border from Mexico, and every December a bill comes up and it passes this House unanimously—and it will not pass unanimously again—to extend for another year the provision in the Fordney-McCumber Act which enables those cattle raisers in Texas to ship their cattle over into Mexico and graze them in Mexico—they really raise them in Mexico, they are bred in Mexico now—and bring them back across the boundary without paying the tariff of 1½ cents and 2 cents per pound, and then they add that tariff and we pay it not to the Government but to these cattlemen, and we frequently lose money on them.

So the gentleman is not affected by this fee at all. The imaginary conversation with his old German farmer can never occur if the old German farmer will read this bill and if he understands it. That German farmer will not have to pay this fee if he raises feeders.

Mr. HUDSPETH. Will the gentleman yield?

Mr. RAINEY. I will.

Mr. HUDSPETH. The gentleman complained about the \$10 tariff we have at the present time?

Mr. RAINEY. No; I do not—

Mr. HUDSPETH. The gentleman is going to vote for this bill?

Mr. RAINEY. Yes.

Mr. HUDSPETH. This levies a 100 per cent tariff. I understand the gentleman will vote for this bill which levies a 100 per cent tariff, and I voted for one of 10 per cent.

Mr. RAINEY. Yes; and the gentleman will not enjoy the free trade in cattle across the boundary from Mexico that he does now.

Mr. HUDSPETH. The gentleman comes here now and puts in a plea that he wants a tariff. I am glad to welcome the gentleman to our ranks. [Laughter.] I welcome my friend from Illinois.

Mr. RAINEY. I have seen the gentleman stand on the floor and speak for free trade in cattle crossing the Mexican boundary to Texas. We do not raise cattle in Iowa and Illinois in the Corn Belt section. We can not do it, because we do not have any cheap land. Our land is too valuable to raise cattle on. We have to buy cattle from Texas, where the land has not any particular value on the range and where the cattle go ahead and breed and increase in numbers just as the birds of the air do, and then they charge us \$35 a head as soon as they get to be as big as a good-sized goat, and we are perfectly powerless in their hands. [Laughter.] They have the cattle organizations. Of course, there is where the cattle organizations are, down there for the purpose of holding up the Corn Belt farmer and interfering with his business of producing food for the market. That is where the cattle organizations are, and they are organized for that purpose. The cattle organizations in Iowa and Illinois are the farm-bureau organizations, where they have cattle on every farm. In the wintertime they take one or two carloads of the gentleman's cattle, if they can get them—they can not raise them themselves—and they bring them up there. These farm-bureau chiefs represent more cattle and more real cattle than there are in the State of Texas.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. RAINEY. I will.

Mr. NEWTON of Minnesota. How would it be to strike out the word "cattle" and insert the word "goats"? [Laughter.]

Mr. RAINEY. That would require the employment of too many experts to tell the difference between Texas feeders when they leave Texas and the goats they have there. [Laughter.]

It is true that some cattle from Texas reach the processing markets and are sold for slaughter, but they are the ranch-fed cattle finished off with cowpeas and alfalfa and do not command the price we get for the cattle we finish with corn in the Corn Belt. They usually command on the market for slaughter from \$2 to \$4 per 100 pounds less than the corn-fed cattle. They simply come up and compete with our corn-fed cattle and bring down the price of the cattle we finish on our farms. The meat is tough and stringy and does not compare with the meat obtained from corn-fed cattle. In Illinois, Missouri, and Iowa there were on farms of cattle other than dairy cattle on the 1st day of January, 1924, 7,078,000 cattle, while in all of Texas on that date there were only 5,597,000 head of cattle. I do not know of a single cattlemen's organization either in Illinois, Missouri, or Iowa. In these States the grain farmers are the cattlemen, and most of them in the wintertime feed from one to two carloads of cattle on their farms. A large portion of these cattle come from Texas and are sold to us for feeding purposes. Under this bill we would pay the equalization fee on all the cattle in these States when they go to processing markets. The cattlemen of Texas who sold them to us would not be to the slightest degree interested in the equalization fee. The chances are that in Corn Belt States on the 1st day of January of each year, we have more Texas cattle than they have in Texas, excluding small calves. The cattle organizations of the Southwest, it seems to me, exist for the purpose of combining and keeping up the price of the feeders we are compelled to buy and lessening the spread between the feeders they sell us and the same feeders when we sell them at the processing markets when we have finished them up and made food animals out of them. On the 1st day of January, 1924—I do not have the figures for a later date—cattle per head on the farms in Illinois, other than milk cows, were worth \$34 per head. In Texas on the same day they were worth \$18.00 per head. The real cattlemen, and by that I mean the men who take the cattle of Texas and make beef steers out of them, are the farm bureau members of Indiana, Illinois, Missouri, Iowa, and the other cattle-feeding States, and the farm bureaus are their organizations, and they speak here through their farm bureau organizations and through the farm board Committee of Twenty-two whom they have selected, and they are the men who ought to be recognized, and they are the men who will pay this equalization

fee which the cattlemen say they are against. We are at the mercy of the cattlemen and must pay their prices for feeders. We are asking now for this legislation in order that we may get a better price for the corn we feed to them in our Corn Belt States when we finish them for the market. I hope the amendment of the gentleman from Texas [Mr. HUDSPETH] will not be adopted.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JONES. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Does the gentleman desire to discuss this amendment?

Mr. JONES. Yes. I am in favor of the amendment. Mr. Chairman and gentlemen of the committee, the gentleman from Illinois [Mr. RAINEY] is a great statesman, and I always like to hear his statesmanlike utterances, but when he abandons the role of statesman and essays to do the antics of a humorist, I think he falls from his high estate. That is what I assume he was trying to be, a humorist, but if he was really serious I should hate to have him on the board to pass on the equalization fee on cattle, and I am sure my colleague would. My friends, I am very earnest in my desire to have the amendment of the gentleman from Texas adopted, and I will tell you why. In handling the other basic commodities like cotton and wheat they put them in warehouses or elevators, and they are handled by marketing organizations. Those organizations of cattlemen are not marketing organizations. Each individual owns and retains control of his own cattle. They are associations for mutual benefit in carrying out their purposes. It makes no difference where you place the equalization fee on cattle, the cattle owner is going to pay it. You can never escape that proposition while the board is authorized to make the slaughtering place the place for levying the fee, it is also authorized to make the first sale or other disposition in the United States of livestock destined to slaughter the point of paying the fee. According to the very terms of the bill the producer pays it. So that the illustration which my colleague gives applies with full force and the cattleman will pay the tax. You can make all the fun you want of Texas cattle.

Some of the prize winners at the stock fairs at Omaha and Kansas City and Chicago have been white-faced Herefords from the Panhandle and other parts of Texas. The largest individual cattle owner in the United States lives in my home town. He probably handles more cattle every year than the gentleman from Illinois ever saw in his whole life.

Mr. CONNALLY of Texas. Mr. Chairman, will my colleague yield?

Mr. JONES. Yes.

Mr. CONNALLY of Texas. Is it not a fact that these goats that they say come from Texas are the finest cattle that they have?

Mr. JONES. Yes; I believe the gentleman practically said that they grow their cattle from Texas goats. He evidently has never seen any of the thousands of fine Texas cattle that roam her matchless prairies.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. HUDSPETH. The reason why the gentleman from Illinois [Mr. RAINEY] has his mind on goats is that these high-tariff people on this side and on the other side have got his goat. [Laughter.]

Mr. JONES. That may be.

Now, gentlemen, if you create an equalization fee and create a fund, what are you going to do with that fund? Here is a man who has a thousand fat cattle in Texas, and he wants to sell them. There is no cooperative-marketing organization to handle those cattle. You can not buy those fat cattle. On the other hand, here is a man who has some cattle that are not ready for the market. They are not fat; they need pasture or feeding. You can not handle those cattle. What will you do with the money?

The only thing you can do is to go by the meat. You can not take the fat cattle and hire somebody to fatten them a little more and finish them and carry them to market. That will not do any good. What will you do with them? You must take the meat and hire somebody to process it, or you will have to deal with the packers. Since my boyhood days we have dealt with the packer on his own terms. He will charge for processing the meat such a price as will bring him out. If you hire him to process it and then handle it after processing, you have to sell it, either here or abroad. If you sell it abroad the packer, as you will find out, has the finest sales organization on earth, and you can not compete with him there. If you sell it here you meet the

same fine selling agency. The simplest method will be to use it, which, it seems, would mean using it on the packer's terms.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. HUDSPETH. The ultimate destination of every animal, of all cattle that are sold, is the slaughterhouse; ultimately, is it not?

Mr. JONES. Certainly.

Mr. HUDSPETH. Is it not a fact, I will ask my friend—who knows the cattle business and represents the largest cattle district in Texas—is it not a fact that in every transaction the equalization fee will be figured in, and that will be taken off the purchase price?

Mr. JONES. Certainly. That will be handled just as any other commodity is handled. The man who buys that commodity buys it with the purpose of selling it; or if he raises it, he raises it with the idea in mind of ultimate sale. He figures when he goes to sell it what his expenses are going to be. The purchaser figures on the same basis; so that a man who is growing cattle for sale and is selling them, no matter to whom he is selling them, no matter where he is selling them, whether at the ultimate point of slaughter or for feeding, pasturing, or resale, he will pay this equalization fee. It will be taken off at every point where the sale is made.

The point I am making is that the only way you will get anywhere is to hire a big packer or a small packer to handle the product. You can not build storehouses, you can not build cold-storage places, you can not build warehouses, unless you expend large sums of money. You must contract with those who have them, and you must contract with them on their terms. So where do you get? They have the machinery for handling it now. Will they not handle it then?

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. HARE. The gentleman speaks of the equalization fee at the slaughterhouse; in my country—

Mr. JONES. Please make it a question.

Mr. HARE. In my part of the country they raise cattle for sale. Here is a farmer who sells to a local butcher. Will the classification fee apply to that?

Mr. JONES. Yes. It will apply to any animal slaughtered for market.

Mr. HARE. And to swine?

Mr. JONES. Yes. It will apply to cattle and to swine.

Mr. DICKINSON of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. DICKINSON of Iowa. Suppose it should be shown that there was an agreement with the packers and that by paying that 10 cents equalization fee they could raise the price of your cattle a dollar a hundred. Do you think your people would object?

Mr. JONES. Oh, that is an assumption. I can not understand how your board is going to get a better contract out of the packer than the cattleman can get or the cattle organization can get. Some of the biggest organizations in the world are cattle organizations, and they employ some of the highest-paid men to handle their affairs. The board might be composed of men who, like the gentleman from Illinois [Mr. RAINEY], thinks a cow is a goat. I think a man who is raising cattle is in a better position to judge than the man who thinks cattle are goats.

Mr. FORT. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. FORT. Is it not a fact that we only export, as the chairman states, about 19,000,000 pounds of beef?

Mr. JONES. Yes; we import more of both cattle and beef than we export.

Mr. FORT. And therefore this section of the bill is not designed to protect the American market from the world market, is it?

Mr. JONES. No. It can not be. It is purely a matter of domestic market, for the present at least.

Mr. FORT. It is merely a matter of domestic price raising through the packer or under contract with the packer?

Mr. JONES. Yes; through the packer or under contract with the packer.

Now, I want to say in this connection that I am supporting this amendment in all good faith, and from no hostility to the bill. I do not think these cattle people want to be in the bill. I do not think the bill is workable with them. I think it is workable with some other commodities, and I should like to see the bill put in workable form.

As for Texas, she needs no defense at my hands. From the magic of her name to the magnitude of her production she is superlatively great. Annually she ships to the market tens of thousands of fat cattle. Annually she produces millions of bales of cotton and millions of bushels of wheat. She is the premier State in the American Union in the value of her agricultural products. Her development is in its infancy. The fertility of her soil could feed the Nation. Her climate, her people, her energy, and her future are unrivaled on the reeling earth. Come to Texas.

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, I had never known why we have to eat so much tough beef until I just heard the two gentlemen from Texas [Messrs. HUDSPETH and JONES] and the gentleman from Illinois [Mr. RAINEY] discuss the question of cattle, showing how in the form of goats the Texas cattle must be fattened in Illinois. I want to suggest to all who are interested in raising cattle that they ought to come out to the great Northwest, where we are raising cattle, and where we can raise them in such a way as to keep them sleek and fat from the very hour they are born until they are ready for the packing plant, and then you will get real nice juicy beef.

But what surprises me particularly in this discussion is how short the memory of some Members of Congress can be. One of the most effective talks made for the so-called McNary-Haugen bill two years ago was made by our good friend from Texas [Mr. HUDSPETH], and most of his talk concerned the poor price that was being paid for cattle and beef at that particular time. I am glad, I am tickled to death to hear the figures submitted by Mr. HUDSPETH in the debate here to-day, where he has shown that recently, apparently, the entire tariff upon cattle and beef has been operative and has been reflected in the price to the Texas producers. I hope that such is the case and that it will remain the case whether the Haugen bill is enacted or not.

But the gentleman entirely overlooks the fact that if it remains the case, then there is no necessity and absolutely no chance of putting an operative period upon beef whatsoever. In other words, you will continue to sell beef just as it is sold now, for an operating period can not be established by the board unless the price again goes down to a point below the world price plus the tariff. [Applause.]

When that time comes I want to say to you, Mr. HUDSPETH—and it may come a year from now or two years hence—this German cattleman you have been speaking about, if the operating period is on and he goes and sells his cattle, and if he can read the same as the cattlemen in the Northwest can read, then he will sell his beef and he will know that he has an extra \$20 bill in his pocket for every 1,000-pound steer he has sold and he will go away tickled to death, and he will then say, "My Congressman, Mr. HUDSPETH, he fixed it so I could get \$20 extra. He put on this equalization fee, of course, that takes away \$2, shown by this certificate I have in my pocket and I may not get anything back on it, but anyway I am \$18 to the good." [Applause.]

Ever since I commenced to read wild west stories as a kid I have had the greatest of admiration for the cattlemen of the West. I think they are just the type of men that Mr. HUDSPETH has depicted upon the floor from time to time, but never until the argument made by our genial friend from Texas to-day have I been forced to the conclusion that those men can not read or that they can not understand an ordinary business transaction. [Applause.] And that is what Mr. HUDSPETH's argument amounts to when he tries to prejudice Members representing cattle districts against this equalization fee on the theory that the cattlemen will not understand it. However, I think those men on the broad plains of Texas are as well able to understand this equalization fee as the people out in the great Northwest.

I also want to say this: It is just as unreasonable for people representing cattle districts to take the position to-day that this bill is not needed as it would be for us from the wheat sections of the country to say that just because we happen to-day to be getting a fairly good price for wheat that there is no need of having it for the future. Our wheat men see—and I believe in reality your cattlemen see—the danger in the future. Our wheat men see, as I suggested a day or two ago, that if we should this year have a large crop of wheat both in this country and abroad that there is an absolute necessity for this kind of legislation, and that may be

exactly the same way your cattlemen are fixed. Their representatives were very busy here two years ago.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. LOZIER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. HUDSPETH]. This amendment proposes to take cattle and their products out of this bill. If this amendment is adopted, the cattle industry could not possibly obtain any benefits from this legislation. No one will deny that the cattle industry is in need of stabilization and that better prices are due those who raise cattle and those who fatten cattle for the market. At the present time beef is selling about \$3 per hundred less than a year ago. The market is at all times unstable, and it frequently fluctuates so violently that enormous losses are sustained by those who feed and finish cattle for the market. This is one of the greatest branches of farm industry and there can be no worth-while prosperity among the farmers unless beef prices are stabilized and materially advanced.

I am a little surprised at the arguments made by the two distinguished Representatives from Texas [Mr. HUDSPETH and Mr. JONES]. It seems to me that they are fundamentally wrong in their attitude toward the pending bill. Moreover, they are taking themselves too seriously. They evidently think that practically all the cattle in the United States are located in Texas. So blind are these two gentlemen to the true basis and needs of the cattle industry that they have lost sight of the many millions of cattle in other portions of the United States, and especially in Missouri, eastern Kansas, eastern Nebraska, Iowa, Illinois, and other great corn-growing, cattle-feeding, and beef-producing States in the Middle West. The real beef that satisfies the hunger of the American people is not produced in Texas, except in a negligible degree. Nebraska, Kansas, Missouri, Iowa, and Illinois are all greater beef-producing States than Texas. It is true that Texas produces large quantities of stock cattle, but comparatively few cattle from the Texas ranges are shipped direct to the markets for slaughter. Ninety-five per cent, probably, of the cattle produced in Texas are sold as stock cattle and are shipped to these great Corn Belt States that I have mentioned to be fattened and finished for the market.

The truth of the business is that the prosperity of the men who raise cattle upon the Texas range and the prosperity of the Texas cattlemen as a class depends upon the prosperity of the farmers in the Corn Belt, as practically all the stock cattle produced in Texas are fattened and prepared for market in the Corn Belt States. Speaking from memory, I am sure that not more than 7 per cent of range cattle are slaughtered without first being fattened in the great Corn Belt States. Trainloads of these range cattle from Texas are brought into the States of Missouri, Kansas, Nebraska, Iowa, Illinois, and other Corn Belt States, and there they are fed for 2, 3, 4, 5, or 6 months; and after they are fattened and their flesh properly hardened and converted into real beef, they are placed upon the market and sold as corn-fed cattle. If it were not for this demand, four-fifths of the cattlemen on the Texas plains and other ranges would go bankrupt and be forced out of business before frost flies next autumn. The Texas cattlemen must stand or fall with the farmers, cattle growers, and cattle feeders of the Corn Belt States. The prosperity or depression of the cattle business in the Middle West is quickly reflected in the increase or decrease of prices for range cattle. Now, anyone at all familiar with the livestock business knows that a cow or steer fattened on the range is not ready for slaughter. The flesh of range-fattened cattle is soft and watery. First-class beef is not produced, as a rule, on the range. Good beef, the beef the American people want and are willing to buy and pay for, must be corn-fed beef. Not only the packers but the consumers know the difference between beef produced on the range and beef produced in the Missouri, Iowa, or Illinois feed lots. The feeding of corn is absolutely necessary to produce first-class beef.

Suppose you have a good season in Texas and you ship a carload of range cattle to the Kansas City, Chicago, or Omaha markets. These cattle may be fat, but the packers and buyers know that these grass-finished cattle will not make the most desirable beef. They will not slaughter as well as corn-fed cattle, and the packers and buyers know it. By looking at these cattle the packers and buyers can tell at a glance that they are grass-finished cattle; that their flesh is soft, flabby, and watery; that they will not butcher as well as corn-fed cattle; and they will make a difference of from \$1 to \$3 per hundred in the price between these grass-finished cattle and cattle fattened on corn in the Corn Belt States.

A buyer at the stockyards or packing houses will stick his fingers in the side of a steer and without asking you any

questions will quickly tell you whether your cattle came from the range or from a feed lot in some of the Corn Belt States. The prosperity of the Texas cattlemen depends primarily on the ability of the Corn Belt farmers to buy these Texas cattle and finish them for market at a profit. If the Missouri, Nebraska, Iowa, or Illinois farmers can not buy Texas stock cattle and fatten them at a profit, the principal and all-important outlet and market for Texas cattle will have been destroyed.

So I come back to my original proposition that there can be no prosperity for the cattlemen upon the Western ranges, unless the farmers of the Corn Belt States are prosperous, and they can not be prosperous unless they are able, when they market their fat cattle, to not only get back the cost of their feed but a reasonable profit in addition. The cattle raisers and the cattle feeders of the Corn Belt States are not enjoying even a fair degree of prosperity. On the contrary, hundreds of millions of dollars have been lost by the farmers in the Corn Belt States in buying Texas range cattle, feeding their corn crops to them, and then selling the fat cattle on the Omaha, Kansas City, or Chicago livestock market at prices that would not return to them the original cost of the cattle. Indeed, much of the impoverishment of the farmers in the Corn Belt has resulted from their inability to make a profit on the cattle which they bought on Texas plains and fattened on corn grown on the productive farms of the Middle West. One year with another, the income from feeding Missouri, Iowa, or Illinois corn to Texas cattle has not been sufficient to show a profit, but ordinarily heavy losses.

Cattle feeding in the Corn Belt has become an exceedingly hazardous occupation. It follows therefore that the cattlemen in Kansas and Texas and other plains regions are vitally interested in stabilizing the market price of corn-fed cattle, as well as range-finished cattle.

Inability of the Corn Belt farmers to make a profit feeding cattle will be very quickly reflected in reduced demands and reduced prices for stock cattle from the ranges, and with all due respect to my colleagues from Texas, I think it is very obvious that they are pursuing a shortsighted and mistaken policy in attempting to have cattle taken out of this bill and thereby denied the benefits that must inevitably accrue to all cattle growers and cattle feeders, both in the Corn Belt and on the far-flung plains of the Southwest. Moreover, there can be no stabilization or substantial advance in corn prices, if cattle be eliminated from this bill. Because, in order for the corn grower to enjoy more stable and higher prices for the corn he produces, beef prices must be stabilized and higher. This bill will not bring to the corn farmer the desired relief, if the amendment offered by the gentleman from Texas [Mr. HUDSPETH] is adopted. By adopting his amendment you would emasculate the bill and withhold from the corn growers and the farmers who raise, handle, or fatten cattle practically all of the relief that his bill is intended to furnish them.

I therefore hope that the amendment offered by the gentleman from Texas [Mr. HUDSPETH] may be defeated, and I ask every friend of the Corn Belt farmers in this House to vote against the amendment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. HUDSPETH].

The question was taken; and on a division (demanded by Mr. HUDSPETH) there were—ayes 32, noes 71.

So the amendment was rejected.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 11603, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TAYLOR of Tennessee (at the request of Mr. McREYNOLDS), until May 22, 1926, on account of important business.

ADDRESS BY ATTORNEY GENERAL OF UNITED STATES

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address recently delivered by the Attorney General of the United States.

Mr. CONNALLY of Texas. Mr. Speaker, reserving the right to object, delivered by whom?

Mr. CRAMTON. By the Attorney General of the United States.

Mr. CONNALLY of Texas. On what subject?

Mr. CRAMTON. The Attorney General of the United States delivered an address before the recent Women's Law Enforcement Conference on observance and enforcement of law.

Mr. CONNALLY of Texas. Did the Attorney General come out in favor of enforcing the law?

Mr. CRAMTON. The Attorney General has made a very able address, one that I am sure every Member of the House will read with a great deal of interest, as well as many others.

Mr. CONNALLY of Texas. If he is in favor of the enforcement of the law, I have no objection.

Mr. CRAMTON. I hope the gentleman from Texas will read the address. I am sure he will benefit very greatly by doing so.

Mr. CONNALLY of Texas. I have already read it.

Mr. CRAMTON. If the gentleman has already read it, I am sure he will want it inserted in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAMTON. Mr. Speaker, at the luncheon of the Women's National Committee on Law Enforcement, April 13, 1926, the Attorney General of the United States, Hon. John G. Sargent, head of the legal department, the law-enforcing branch of the United States Government, delivered a remarkably forceful and able address on law enforcement and law observance, with special reference to the eighteenth amendment. Under the leave given me, I insert that address, as follows:

Madame the President and members of the Women's Committee on Law Enforcement, in approaching the subject before you at this social gathering of the representatives of your great body I am somewhat at a loss how to begin.

To me the matter of having the law observed in a country under a Government like ours seems a very simple thing. All that is necessary is that each member of each family in each community in each State shall go about his and her business each day with the purpose in mind to obey the rules made by society for its own guidance. But it happens that there are here and there among us persons who do not have such purpose; persons who instead of trying to earn an honest living by honest toil undertake to get the means of living in what they think and hope will be an easier way.

We must remember that a living for all must be earned by all, and each member of society who does not by some useful action earn his keep increases the burden of the rest, who have to earn it for them.

With those who are a burden from being mere drones, shirks, we need not further concern ourselves here; with those who by active preying on their fellow members of the social body undertake to get a living, or more than a living—the means of luxury—we are here very much concerned.

With those who undertake to set aside the rules of life which we ourselves have made and satisfy their cravings of lust, of appetite, of revenge, of malice by reprisals on individuals, on the community, we are very much concerned.

We make law governing the relations of individuals to each other and their property, and we provide courts in which individuals may seek redress for violations of their legal rights by other individuals.

We make law governing the relations of individuals to the community, and provide by law penalties for infraction of such law. The community as a body can not well impose such penalties, and so we provide courts to pass on the question of whether there has been an infraction of the law, and provide representatives of the community to prevent in such courts charges against persons accused of infractions of the law—prosecuting officers.

What is the duty of such a representative of the community toward its laws?

It seems to me that a prosecuting officer, while and so long as he holds his place as the representative of the law, ought not to take the position that the law as it is ought not to be the law.

The law is the will of the body politic, and we are in our places by the will of the body politic, put there to execute that will; and if we go about declaring in speech and in print that the law ought to be changed, so that acts which are offenses against the law will not be offenses, we thereby weaken our causes in the minds of the tribunals before whom we must try them.

I notice on the letterheads of this committee that the purpose of the organizations it represents is to encourage the enforcement of all the law, with especial emphasis on the eighteenth amendment and the Volstead Act, and I have been informed by some of your officers that you are particularly anxious for an expression of my views on that subject.

Let me say that what my views are is not, as I see it, of much greater importance than what your views are. I can keep the machinery of prosecution of violators of the law in motion, but you can make the results of such work effective or to a considerable extent impair its effectiveness.

At the risk of being accused of having a single-track mind, I wish to repeat here, in substance, a few observations I have before publicly made on this subject.

In this country, under our system of government, the will of the people expressed by their vote becomes and is the rule of conduct which all citizens are bound to observe and which all citizens or aliens must be compelled to observe. That rule of conduct creates the duty of every inhabitant of the jurisdiction doing the voting.

The eighteenth amendment is the law of the land.

The Volstead Act is the law of the land.

Both by constitutional command of the whole people and by legislative enactment of their representatives in Congress, it has been decreed that traffic in intoxicating liquor shall cease.

There is no room for discussion as to what the voters of the country have said.

There is no half-way place in the command they have laid upon their servants chosen and appointed to administer the law.

But, notwithstanding that the law is as it is, notwithstanding the will of the people is that this traffic—and, of course, the drinking of alcohol—shall cease, a considerable number of persons insist they will not obey the law and persist in the traffic to supply drink for themselves and others who are willing to reward them for the chances they take.

Those who engage in the business, those who furnish the business by buying its wares, and some who do not wish to either sell or buy liquor undertake to excuse the violators by saying over and over that this law is an infringement of personal liberty.

They declare that since the prohibition law went into effect it has never been practically in effect;

That it has been a disastrous, tragic failure;

That the Federal Government is powerless to enforce it; because, they say, "The instinct of personal liberty is very strong," "Man can not be made over by law," and "Thousands of the best citizens of the country have been brought into contact with the bootlegger and have no compunction whatever about violating the law."

Let us examine these propositions briefly.

Though some of those who make these claims and arguments may not, do not, have in mind a purpose to make the thing prohibited easier to procure and less dangerous to make and sell by those who would provide it, nevertheless such is the effect upon the execution of the law.

Personal liberty to do what? Anything except to facilitate the making, sale, and use of intoxicants? Why? Any reason except that the use of them may not be interfered with?

What other result can follow the constant declaration that the law is not binding on the consciences of those who do not favor its provisions because they say it interferes with personal liberty and the instinct of personal liberty is very strong? What other result can follow than that juries will hesitate to convict on charges of violation of the law?

What other result can follow than that those contemplating engaging in the traffic will be encouraged by the thought that probably, even if detected and arrested, conviction will not follow?

No compunction about violating the law? Violating it how? What for? Anything except to provide intoxicants for somebody to drink?

No.

Such contentions, when made by those who do not want liquor for themselves, who would not intentionally put obstacles in the way of enforcement of the law, must be made without realization of the effect of their position.

That effect can be and is only to weaken public sentiment in favor of any law enforcement and to encourage violation of all law.

It is only a step—and an easy one—for the man of loose moral fiber, who hears and reads that men of education, of standing and influence, aver and urge that he is not in conscience bound to give allegiance to one provision of the Constitution, is not in conscience bound to observe one statute because it interferes with his liberty to do as he pleases in that matter, to come to the conclusion that he is not in conscience bound to observe another law, and then another, which interferes with the liberty he would have to do some other act but for the law; and when he is told that many of the best citizens violate a part of the law without compunction, what conclusion can be reached but that he may violate any part of it without compunction?

The difference between civilization and barbarism is in the presence or absence of law.

The very idea of law in a community carries with it the surrender of individual freedom of action for the good of the whole body.

In a state of barbarism one may walk or drive where he please, unless the "personal liberty" of another stronger than he interferes.

In Washington one must drive on the right-hand side of the street. Why? Because the community has decided that the welfare of the whole, of which he is a part, demands that he be deprived of liberty to drive where he please and compelled to go on the right-hand side.

Does anyone contend that "man can not be made over by law" in this matter?

Does anyone contend that because "the instinct of personal liberty is very strong" he has a right to endanger the safety of every one in the street, including himself, by asserting his personal liberty and driving on the left-hand side?

What is the difference between insuring the safety of travel by depriving men of their personal liberty through compelling them to drive on the right side, and compelling them to be sober, when driving, through depriving them of the means of getting drunk?

The real source of the embarrassment to the enforcement of the law is not that the law interferes with personal liberty—any law which has any effect upon the conduct of the individuals composing society does that, must do that—but that so many well-intentioned persons thoughtlessly or following some process of unsound reasoning join hands with those who intentionally violate the law and give them aid and comfort in attempting to justify their unlawful conduct.

There is no right of personal liberty to perpetuate an institution which the law condemns.

In this country that the liquor traffic shall be exterminated is established by solemn resolution of the electorate.

That it ought not to exist is admitted by those making the arguments and claims I have been discussing when they say either by way of preface or conclusion to every discussion, "We do not desire to bring back intoxicating liquor; there is no intention ever to bring back the saloon." Those who say this honestly surely can not have thought out the result to which their arguments tend.

The rest "do protest too much."

Again, if it be true that "the prohibitory law has never been practically in effect," that "it has been a disastrous tragic failure," that "the Government is powerless to enforce it," in what way does it interfere with the personal liberty of those who would drink intoxicants?

The answer is, as everybody knows, that by reason of the existence of national prohibition, by reason of its practical effect, by reason of the exertion of the power of the Federal Government, the traffic in liquor is becoming day by day more and more difficult and dangerous to carry on.

As the application of the Federal power grows more strict, and the manufacture within the country and importation from without become more restricted, as the business becomes more difficult and dangerous, the price of the goods dealt in rises, and right there is where the shoe pinches; right there is the evidence which can not be controverted, that the Federal Government is not "powerless to enforce" the law.

I maintain that to show the law, any law, is violated is not to show that it is not being enforced or that it can not be enforced.

If that argument were sound, then because crimes of murder, rape, robbery, smuggling, stealing, and embezzlement continue to be committed we must say the penalties against them can not be imposed.

No one thinks that.

As the amount of liquor available for consumption decreases and the price of liquor rises, and the profit per quart or per gallon increases new and keener wits and ingenuity are attracted to the business, new and complicated and skillful schemes are devised for evading the law, and constantly increasing watchfulness, activity, and study required for their detection. Many of them go on for a time without detection. But ways of meeting and overcoming them are found, and can be found, for all of them.

Recently some one made an argument that the great increase of cases in court for violation of the prohibitory law is an indication that the law is not being, and can not be, enforced.

I submit that that increase in cases in court is an index of the activities which have resulted in whisky being unobtainable except at an expense many times as great as before those activities were exerted by the Federal Government.

And as the work of detection, seizure, and arrest resulting in such cases in court goes on, the extinction of the traffic draws so much nearer.

That this traffic may be declared an evil thing and may be abated under the provisions of the now existing law is firmly settled by judicial decision of the highest court.

What remains in the way of its complete abatement?

The temptation to make money in the traffic, created by those who either willfully or thoughtlessly disregard their highest obligations to their country and themselves and offer and pay for violation of the law a bribe large enough to offset the danger of prosecution, fine, and imprisonment.

To those "thousands of the best citizens of the country who have no compunctions whatever about violating the law" I address the question: Upon reflection, having called to your attention what your action really means and is in paying an outlaw for violating the law of your country in order to furnish you the means of gratifying your desire for drink, don't you think it better to refrain from such bribery in the future?

Don't you feel that, unless you so refrain, there may be some doubt about your being longer entitled to the designation "best citizens of the country"?

Can you afford to endanger your property, your safety, your lives, and the property, safety, and lives of your wives and children by teaching and practicing the doctrine of purchasing the commission of crime?

Laying aside for the moment any consideration of your duty as citizens, does not your interest lie the other way?

To those who, after considering the character and consequences of their acts, persist in promoting and fostering the violation of the law, I say that the hand of punishment shall fall as often and as heavily as those now charged with the duty of administering the law can cause it to fall.

To you, the women of this country, I say you can by your influence and your votes secure the election and appointment of honest, faithful administrative officers and the discharge and retirement of those who prove to be dishonest, unfaithful, inefficient.

More than this—

Remember that the business of making, transporting, and selling liquor is not entered upon from the motives which incite the commission of most other crimes—jealousy, revenge, sudden anger, ill will toward society generally—but only for profit.

The market for the goods is the whole foundation of the great cost in money, time, and effort of suppression of the traffic.

You can see to it that at no social event in your charge shall your tables be disgraced by the presence of unlawful liquor.

You can, if you will, make the serving of unlawful liquor at social functions of your acquaintances so unpopular that it will cease.

Will you do your part?

I notice further on your letterheads, "Allegiance to the Constitution," on the one side, "Observance of law" on the other side.

With two such supporters staying up its hands, enforcement of the law must win.

"Then came Amalek and fought with Israel in Rephidim.

"And Moses said unto Joshua, 'Choose us out men and go out and fight with Amalek; to-morrow I will stand on top of the hill.'

"So Joshua did as Moses had said to him, and fought with Amalek, and Moses, Aaron, and Hur went up to the top of the hill.

"And it came to pass, when Moses held up his hand that Israel prevailed, and when he let down his hand Amalek prevailed.

"But Moses's hands were heavy; and they took a stone and put it under him, and he sat thereon; and Aaron and Hur stayed up his hands, the one on the one side and the other on the other side, and his hands were steady until the going down of the sun.

"And Joshua discomfited Amalek and his people with the edge of the sword."

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until to-morrow, Friday, May 14, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for May 14, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Second deficiency bill.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10.30 a. m.)

Legislation relative to labor disputes in the coal-mining industry.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To regulate the distribution and promotion of commissioned officers of the line of the Navy (H. R. 11524).

COMMITTEE ON LABOR

(10 a. m.)

To create in the Bureau of Labor Statistics of the Department of Labor a division of safety (H. R. 11886).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10 a. m.)

To provide for the deportation of certain aliens (H. R. 11489).

EXECUTIVE COMMUNICATIONS, ETC.

512. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting proposed legislation affecting an appropriation for the Department of Commerce for the fiscal year ending June 30, 1927 (H. Doc. No. 379), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SPROUL of Illinois: Committee on the Post Office and Post Roads. S. 1930. An act to authorize the Postmaster General to readjust the terms of certain screen-wagon contracts, and for other purposes; with amendment (Rept. No. 1183). Referred to the Committee of the Whole House on the state of the Union.

Mr. BULWINKLE: Committee on the Library. H. R. 5683. A bill authorizing the appropriation of \$10,000 for the erection of a monument or other form of memorial at Sir Walter Raleigh Fort on Roanoke Island, N. C., to Virginia Dare, the first child of English parentage to be born in America; with amendment (Rept. No. 1184). Referred to the Committee of the Whole House on the state of the Union.

Mr. JEFFERS: Committee on World War Veterans' Legislation. H. R. 10361. A bill to authorize the Director of the United States Veterans' Bureau to grant an easement to the Tuskegee Railroad Co.; without amendment (Rept. No. 1185). Referred to the Committee of the Whole House on the state of the Union.

Mr. SNELL: Committee on Rules. H. Res. 265. A resolution providing for the consideration of H. R. 10821, a bill for the appointment of certain additional judges, and S. 2858, a bill to fix the salaries of certain judges of the United States; without amendment (Rept. No. 1186). Referred to the House Calendar.

Mr. CURRY: Committee on the Territories. H. R. 11803. A bill to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes; with amendment (Rept. No. 1187). Referred to the House Calendar.

Mr. CURRY: Committee on the Territories. H. J. Res. 243. A joint resolution for the relief of special disbursing agents of the Alaskan Engineering Commission or of the Alaska Railroad; without amendment (Rept. No. 1188). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 92. A bill fixing postage rates on hotel room keys and tags; with amendment (Rept. No. 1189). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12063. A bill to provide compensation for employees injured and dependents of employees killed in certain maritime employments, and providing for administration by the United States Employees' Compensation Commission; without amendment (Rept. No. 1190). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 11662. A bill authorizing an expenditure of tribal funds of the Crow Indians of Montana to employ counsel to represent them in their claims against the United States; with amendment (Rept. No. 1192). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPROUL of Kansas: Committee on Indian Affairs. S. 3382. A bill to appropriate tribal funds of the Klamath Indians to pay actual expenses of delegate to Washington, and for other purposes; without amendment (Rept. No. 1193). Referred to the Committee of the Whole House on the state of the Union.

Mr. MONTGOMERY: Committee on Indian Affairs. S. 3613. An act authorizing an appropriation for a monument for Quannah Parker, late chief of the Comanche Indians; without amendment (Rept. No. 1194). Referred to the Committee of the Whole House on the state of the Union.

Mr. REECE: Committee on Military Affairs. H. R. 5028. A bill for the promotion of certain officers of the United States Army now on the retired list; with amendment (Rept. No. 1196). Referred to the Committee of the Whole House on the state of the Union.

Mr. TAYLOR of New Jersey: Committee on the Post Office and Post Roads. H. R. 11841. A bill to enable the Postmaster General to make contracts for the transmission of mail by aircraft at fixed rates per pound; with amendment (Rept. 1197). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HASTINGS: Committee on Indian Affairs. S. 3259. An act authorizing the enrollment of Martha E. Brace as a Kiowa Indian, and directing the issuance of patents to her and

two others to certain lands of the Kiowa Indian Reservation, Okla.; without amendment (Rept. No. 1195). Referred to the Committee of the Whole House.

Mr. JOHNSON of Indiana: Committee on Military Affairs. H. R. 3665. A bill to correct the military record of Thomas Spurrier; with amendment (Rept. No. 1198). Referred to the Committee of the Whole House.

Mr. WOLVERTON: Committee on War Claims. H. R. 11259. A bill to reimburse or compensate James E. Parker for money, clothing, and other property misplaced or appropriated by United States authorities during the World War; without amendment (Rept. No. 1199). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. S. 2128. An act for the relief of Samuel Spaulding; without amendment (Rept. No. 1200). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. S. 579. An act for the relief of the Georgia Cotton Co.; without amendment (Rept. No. 1201). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 7011. A bill for the relief of the Houston (Tex.) Chamber of Commerce and the Hermann Hospital estate and Bertha E. Roy and Max A. Roy and J. M. Frost and J. J. Settegast and Emma Hellberg and Laura Lackner and F. W. Lackner; with amendment (Rept. No. 1202). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 7715. A bill for the relief of Frank W. Tucker; without amendment (Rept. No. 1203). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 8932. A bill for the relief of William F. Redding; without amendment (Rept. No. 1204). Referred to the Committee of the Whole House.

Mr. SWOOPE: Committee on War Claims. H. R. 10558. A bill for the relief of William Meyer; with amendment (Rept. No. 1205). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 3330) for the relief of Thomas G. Peyton; Committee on Claims discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 7011) for the relief of the Houston (Tex.) Chamber of Commerce and the Hermann Hospital estate and Bertha E. Roy and Max A. Roy and J. M. Frost and J. J. Settegast and Emma Hellberg and Laura Lackner and F. W. Lackner; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Georgia: A bill (H. R. 12144) to amend the Federal intermediate credit banks act of 1923; to the Committee on Banking and Currency.

By Mr. UPDIKE: A bill (H. R. 12145) authorizing an appropriation for construction and installation of permanent buildings, utilities, and appurtenances at Fort Benjamin Harrison, Ind.; to the Committee on Military Affairs.

By Mr. FAIRCHILD: A bill (H. R. 12146) for the apportionment of Representatives in Congress among the several States under the Fourteenth Census; to the Committee on the Census.

By Mr. McLEOD: Joint resolution (H. J. Res. 253) to award recognition in the name of Congress to Lieut. Commander Richard E. Byrd and the members of his polar expedition; to the Committee on Naval Affairs.

By Mr. BRITTEN: Joint resolution (H. J. Res. 254) relating to the establishment of commodity quantity units for general use in merchandising after 1935; to the Committee on Coinage, Weights, and Measures.

By Mr. WINTER: Resolution (H. Res. 266) providing for the consideration of H. R. 10356, to provide for the storage for diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 12147) granting a pension to Arabella E. Skinner; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 12148) granting an increase of pension to Mary A. Sanders; to the Committee on Invalid Pensions.

By Mr. BLACK of New York (by request): A bill (H. R. 12149) for the relief of Edmond Weil, Isidore Weil, and Ferdinand Weil, copartners doing business under the firm name and style of Alphonse Weil and Brothers; to the Committee on Claims.

By Mr. CORNING: A bill (H. R. 12150) granting an increase of pension to Eliza Parke; to the Committee on Invalid Pensions.

By Mr. CLAGUE: A bill (H. R. 12151) granting an increase of pension to Elizabeth McClarg; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 12152) for the relief of Dent, Allcroft & Co., A. J. Baker Co. (Inc.), Horwitz & Arbib (Inc.), and Richard Evans & Sons Co.; to the Committee on Claims.

By Mr. FROTHINGHAM: A bill (H. R. 12153) for the relief of Frances Macdonald; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 12154) granting an increase of pension to Nancy Beatty; to the Committee on Invalid Pensions.

By Mr. LARSEN: A bill (H. R. 12155) for the relief of Fred R. Crandall; to the Committee on Military Affairs.

By Mr. LINDBERGER: A bill (H. R. 12156) for the relief of Hugh S. Gibson; to the Committee on Appropriations.

By Mr. LINTHICUM: A bill (H. R. 12157) granting an increase of pension to Harriet A. Watson; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 12158) for the relief of Edward R. Daum; to the Committee on Naval Affairs.

By Mr. PARKER: A bill (H. R. 12159) granting an increase of pension to Lucinda Bullock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12160) granting an increase of pension to Celestia Parrow; to the Committee on Invalid Pensions.

By Mr. PERKINS: A bill (H. R. 12161) to renew and extend certain letters patent to George Becker; to the Committee on Patents.

By Mrs. ROGERS: A bill (H. R. 12162) granting an increase of pension to Kate W. Sawyer; to the Committee on Invalid Pensions.

By Mr. SEARS of Florida: A bill (H. R. 12163) granting a pension to Esmerelda Vreeland; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 12164) granting a pension to Clara Matcer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12165) granting an increase of pension to Margaret J. Folsom; to the Committee on Invalid Pensions.

By Mr. WINTER: A bill (H. R. 12166) for the relief of Joseph Franklin; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2174. By Mr. ARNOLD: Petition from citizens of Wabash County, Ill., urging the passage of the Haugen bill and protesting against the adoption of the Tincher bill; to the Committee on Agriculture.

2175. By Mr. CARTER of California: Petition of the Seventh Annual Convention, National League of Women Voters, urging law enforcement; to the Committee on the Judiciary.

2176. By Mr. DOUGLASS: Petition of the Intercolonial Club, of Boston, Mass., that Canadians now legally residing in the United States, who came to this country from Canada from 1906 to 1917, during which period our Immigration Bureau failed to make record of entries from Canada, be permitted to file first naturalization papers without leaving the country hereafter and reentering, with resulting excessive inconvenience and expense; to the Committee on Immigration and Naturalization.

2177. By Mr. FULLER: Petition of Mr. Peter Nelson, of Plano, Ill., and other individuals, urging support of the Haugen bill; to the Committee on Agriculture.

2178. By Mr. GALLIVAN: Petition of Tanners Shoe Manufacturing Co., 493 C Street, Boston, Mass., recommending early and favorable consideration of the McKellar bill (S. 3544), providing for a revision of postal rates; to the Committee on the Post Office and Post Roads.

2179. By Mr. HOOPER: Petition of J. K. Gilbert and 49 other residents of Calhoun County, Mich., protesting against the passage of compulsory Sunday observance legislation for the District of Columbia; to the Committee on the District of Columbia.

2180. By Mr. KUNZ: Resolution adopted by the directors of the Illinois Manufacturers' Association, favoring the enactment of Federal legislation needed to complete the Illinois waterway; to the Committee on Rivers and Harbors.

2181. By Mr. LINEBERGER: Petition of Mr. Ralph Stuckey, of Rosamond, Calif., and approximately 30 other citizens, protesting against passage of House bill 7179; to the Committee on the District of Columbia.

2182. By Mr. MAJOR: Petition of numerous citizens of Turners and Rogersville, Mo., protesting against the passage of House bills 7179 and 7822, compulsory Sunday observance bills; to the Committee on the District of Columbia.

2183. By Mr. MORROW: Petition of Hot Springs Game Protective Association, Hot Springs, N. Mex., G. W. Caldwell, president, indorsing Senate bill 2015, the establishment of fish hatchery in New Mexico; to the Committee on the Merchant Marine and Fisheries.

2184. By Mr. NEWTON of Minnesota: Resolution of the Minnesota Conference of the Evangelical Church, for enforcement of the provisions of the Volstead Act and opposing any modification; to the Committee on the Judiciary.

2185. By Mr. O'CONNELL of New York: Petition of Joseph Beal, of Albany, N. Y., favoring the passage of Senate bill 3343, to extend the time for the privilege to construct necessary canals and dams on United States Government land; to the Committee on Irrigation and Reclamation.

2186. Also, petition of Adolph Lofaro, of No. 9325 One hundred and forty-third Street, Jamaica, Long Island, favoring the passage of the Capper-Kelly bill (H. R. 11); to the Committee on Interstate and Foreign Commerce.

2187. By Mr. ZIHLMAN: Petition of Mrs. E. C. Green, Fred E. Goss, Leon Harslip, and others, protesting against the enactment of Sunday observance bills; to the Committee on the District of Columbia.

SENATE

FRIDAY, May 14, 1926

(Legislative day of Monday, May 10, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 3440. An act to regulate the interstate transportation of black bass, and for other purposes; and

S. 4116. An act to extend the time for the construction of a bridge across the north branch of the Susquehanna River from the city of Wilkes-Barre to the borough of Dorranceton, Pa.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 8313. An act to allot lands to living children on the Crow Reservation, Mont.;

H. R. 9463. An act to provide for the prompt disposition of disputes between carriers and their employees, and for other purposes;

H. R. 9872. An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February, 1925;

H. R. 9875. An act to amend an act entitled "An act authorizing the Secretary of the Treasury to sell the United States marine hospital reservation and improvements thereon at Detroit, Mich., and to acquire a suitable site in the same locality and to erect thereon a modern hospital for the treatment of the beneficiaries of the United States Public Health Service, and for other purposes," approved June 7, 1924;

S. 85. An act to correct the status of certain commissioned officers of the Navy appointed thereto pursuant to the provisions of the act of Congress approved June 4, 1920;

S. 96. An act to amend the national defense act approved June 3, 1916, as amended by the act of June 4, 1920, relating to retirement;

S. 952. An act authorizing the Secretary of the Navy to deliver to the State of Georgia the silver service presented to the United States for the battleship *Georgia*;

S. 1480. An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American Republics in military and naval matters;

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve;

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease;

S. 2876. An act for the purchase of a tract of land adjoining the United States target range at Auburn, Me.;

S. 3080. An act to authorize payment of expenses of the Washington-Alaska military cable and telegraph system out of receipts of such system as an operating expense; and

S. 3550. An act providing for an inspection of the Kennesaw Mountain and Lost Mountain and other battle fields in the State of Georgia.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Lenroot	Sackett
Bayard	Fess	McKellar	Sheppard
Blease	Frazier	McMaster	Shipstead
Borah	George	McNary	Shortridge
Bratton	Gerry	Mayfield	Simmons
Broussard	Gillett	Means	Smoot
Bruce	Goff	Metcalf	Stanfield
Butler	Gooding	Moses	Steck
Cameron	Greene	Neely	Stephens
Caraway	Hale	Norbeck	Trammell
Copeland	Harrell	Norris	Tyson
Couzens	Harris	Nye	Underwood
Cummins	Harrison	Odell	Walsh
Curtis	Heflin	Overman	Warren
Dale	Johnson	Philpotts	Watson
Deneen	Jones, N. Mex.	Pine	Weller
Dill	Jones, Wash.	Pittman	Wheeler
Edge	Kendrick	Ransdell	Williams
Edwards	Keyes	Reed, Mo.	Willis
Ernst	King	Robinson, Ark.	
Fernald	La Follette	Robinson, Ind.	

Mr. CURTIS. I desire to announce that my colleague [Mr. CAPPER] is absent on account of a death in his family. I will let this announcement stand for the day.

Mr. NORRIS. I wish to announce that my colleague [Mr. HOWELL] is detained from the Senate because of a death in his family.

Mr. TRAMMELL. I wish to state that my colleague [Mr. FLETCHER] is necessarily absent owing to illness.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

MEMORIAL

Mr. ASHURST presented a memorial numerous signed by sundry citizens of Prescott, Ariz., remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, or any other legislation of a religious character, which was referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment:

A bill (H. R. 3859) to validate certain declarations of intentions; and

A bill (H. R. 11204) exempting from the provisions of the immigration act of 1924 certain Spanish subjects residents of Porto Rico on April 11, 1899.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (H. R. 10827) to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes, reported it with amendments and submitted a report (No. 830) thereon.

Mr. ERNST, from the Select Committee on Revision of the Laws, to which was referred the bill (H. R. 10000) to consolidate, codify, and reenact the general and permanent laws of the United States in force December 7, 1925, reported it without amendment and submitted a report (No. 832) thereon.